EXECUTION COPY

SOUTH CAROLINA GENERATING COMPANY, INC.

$80,000,000

6.06% SERIES 2008-A SENIOR SECURED NOTES DUE JUNE 1, 2018

and

$80,000,000

6.06% SERIES 2008-B SENIOR SECURED NOTES DUE JUNE 1, 2018

NOTE AGREEMENT

Dated as of May 30, 2008

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(Not Part of Agreement)

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PURCHASER SCHEDULE

South Carolina Generating Company, Inc.
1426 Main Street
Columbia, South Carolina 29218

As of May 30, 2008

To the Purchaser listed on the
Purchaser Schedule attached hereto

Ladies and Gentlemen:

The undersigned, South Carolina Generating Company, Inc., a South Carolina corporation (herein called the **"Company"**), hereby agrees with the purchaser named in the Purchaser Schedule attached hereto (herein called the **"Purchaser"**) as set forth below. Reference is made to paragraph 10 hereof for definitions of capitalized terms used herein and not otherwise defined.

1. AUTHORIZATION OF ISSUE OF NOTES. The Company will authorize the issue of (i) its senior secured promissory notes in the aggregate principal amount of $80,000,000, to be dated the date of issue thereof, to mature June 1, 2018, to bear interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 6.06% per annum and on overdue payments at the rate specified therein, and to be substantially in the form of Exhibit A-1 attached hereto (the **"Series 2008-A Notes"**; the term **"Series 2008-A Notes"** as used herein shall include each such senior secured promissory note delivered pursuant to any provision of this Agreement and each such senior secured promissory note delivered in substitution or exchange for any Series 2008-A Note pursuant to any such provision) and (ii) its senior secured promissory notes in the aggregate principal amount of $80,000,000, to be dated the date of issue thereof, to mature June 1, 2018, to bear interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable (whether by acceleration or otherwise) at the rate of 6.06% per annum and on overdue payments at the rate specified therein, and to be substantially in the form of Exhibit A-2 attached hereto (the **"Series 2008-B Notes"**; the term **"Series 2008-B Notes"** as used herein shall include each such senior secured promissory note delivered pursuant to any provision of this Agreement and each such senior secured promissory note delivered in substitution or exchange for any Series 2008-B Note pursuant to any such provision). The term **"Notes"** as used herein shall include each Series 2008-A Note and each Series 2008-B Note.

2. PURCHASE AND SALE OF NOTES. The Company hereby agrees to sell to the Purchaser and, subject to the terms and conditions herein set forth, the Purchaser agrees to purchase from the Company the aggregate principal amount of Series 2008-A Notes or Series 2008-B Notes, as the case may be, set forth opposite the Purchaser's name in the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. The Company will deliver to the Purchaser, at the offices of Schiff Hardin LLP, 6600 Sears Tower, Chicago, Illinois 60606, or such other location as the Purchaser and the Company may agree, one or more Series

2008-A Notes or Series 2008-B Notes, as the case may be, registered in the Purchaser's name (or, if specified in the Purchaser Schedule, in the name of the nominee(s) for the Purchaser specified in the Purchaser Schedule), evidencing the aggregate principal amount of Series 2008-A Notes or Series 2008-B Notes, as the case may be, to be purchased by the Purchaser and in the denomination or denominations specified with respect to the Purchaser in the Purchaser Schedule, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's [redacted] at Wachovia Bank, N.A., ABA # 053207766, Account Name: South Carolina Electric & Gas Company, Ref: GENCO 2008 Notes on (i) with respect to the Series 2008-A Notes, May 30, 2008 (herein called the **"Series 2008-A Closing"** or the **"Series 2008-A Date of Closing"**) and (ii) with respect to the Series 2008-B Notes, October 1, 2008 (herein called the **"Series 2008-B Closing"** or the **"Series 2008-B Date of Closing"**). The Series 2008-A Closing and the Series 2008-B Closing are each called a **"Closing"** and the Series 2008-A Date of Closing and the Series 2008-B Date of Closing are each called a **"Date of Closing"**.

3. CONDITIONS OF EACH CLOSING. The Purchaser's obligation to purchase and pay for the Notes to be purchased by the Purchaser hereunder on either Date of Closing is subject to the satisfaction, on or before such Date of Closing, of the following conditions:

3A. Opinion of Purchaser's Special Counsel. The Purchaser shall have received from Schiff Hardin LLP, who are acting as special counsel for the Purchaser in connection with this transaction, a favorable opinion dated such Date of Closing satisfactory to the Purchaser as to such matters incident to the matters herein contemplated as the Purchaser may reasonably request. In rendering such opinion, such counsel may rely, as to matters of South Carolina law and as to the due organization and existence of the Company, SCANA and SCE&G, upon the opinions referred to in paragraph 3B and 3D. Such opinion shall also state that the opinions referred to in paragraphs 3B, 3C and 3D are satisfactory in form and scope to such counsel and such counsel believes that the Purchaser is justified in relying on such opinions.

3B. Opinion of Company's Counsel. The Purchaser shall have received from Frank Mood, General Counsel of the Company, a favorable opinion dated such Date of Closing satisfactory to the Purchaser and substantially in the form of Exhibit B attached hereto, and the Company, by its execution of this Agreement, authorizes and requests such counsel to render such opinion to the Purchaser.

3C. Opinion of Company's Special South Carolina Real Estate Counsel. The Purchaser shall have received from McNair Law Firm, P.A., special South Carolina real estate counsel for the Company, a favorable opinion dated such Date of Closing satisfactory to the Purchaser and substantially in the form of Exhibit C attached hereto, and the Company, by its execution of this Agreement, authorizes and requests such counsel to render such opinion to the Purchaser.

3D. Opinion of Company's SCANA's and SCE&G's Special South Carolina Counsel. The Purchaser shall have received from McNair Law Firm, P.A., special South Carolina counsel for the Company, a favorable opinion dated such Date of Closing satisfactory to the Purchaser and substantially in the form of Exhibit D attached hereto, and the Company, by

its execution of this Agreement, authorizes and requests such counsel to render such opinion to the Purchaser.

3E. Representations and Warranties of the Company; No Default. The representations and warranties contained in paragraph 8 hereof, in Article I of the Mortgage and in Section 3 of the Security Agreement shall be true on and as of such Date of Closing, both before and after giving effect to the purchase of the Notes to be purchased on such Date of Closing and the use of the proceeds thereof; there shall exist on such Date of Closing no Event of Default or Default, both before and after giving effect to the purchase of the Notes to be purchased on such Date of Closing and the use of the proceeds thereof; and the Company shall have delivered to the Purchaser an Officer's Certificate, dated such Date of Closing, to both such effects.

3F. Representations and Warranties of SCANA and SCE&G. The representations and warranties contained in (i) Article V of the SCANA Guarantee and Section 12 of the Subordination Agreement shall be true on and as of such Date of Closing and SCANA shall have delivered to the Purchaser an Officer's Certificate, dated such Date of Closing, to such effect, and (ii) paragraph 3 of the Inducement Letter shall be true on and as of such Date of Closing and SCE&G shall have delivered to the Purchaser an Officer's Certificate, dated such Date of Closing, to such effect.

3G. Purchase Permitted By Applicable Laws. The purchase of and payment for the Notes to be purchased by the Purchaser on such Date of Closing on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, section 5 of the Securities Act or Regulation T (assuming for the purposes hereof that the Purchaser is not (i) a broker or dealer (as defined in Section 3(a)(4) and 3(a)(5) of the Exchange Act), (ii) a member of a national securities exchange, or (iii) associated with a broker or dealer (as defined in Section 3(a)(18) of the Exchange Act)) except for a business entity controlling or under common control with a Purchaser), U or X of the Board of Governors of the Federal Reserve System) and shall not subject the Purchaser to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and the Purchaser shall have received such certificates or other evidence as the Purchaser may request to establish compliance with this condition. The order or actions of the SCPSC referred to in paragraph 8L of this Agreement shall be satisfactory to the Purchaser and shall be final and in full force and effect on such Date of Closing, shall not be contested or subject to appeal or review and the time period in which an application for appeal or review must be filed shall have expired. Any conditions contained in such order shall have been satisfied to the Purchaser's reasonable satisfaction. The Purchaser and the Purchaser's special counsel shall have received copies of such documents and papers (including, without limitation, certified or attested copies of such order) as the Purchaser or they may reasonably request in connection therewith or as a basis for the Purchaser's special counsel's closing opinion, all in form and substance satisfactory to the Purchaser and the Purchaser's special counsel.

3H. Mortgage Restatement. On or before the Series 2008-A Date of Closing, the Company and the Collateral Agent shall have executed and delivered to the Purchaser the

Second Amended and Restated Mortgage and Security Agreement in the form of Exhibit E attached hereto (**"Mortgage"**).

3I. Security Agreement Amendment. On or before the Series 2008-A Date of Closing, the Company and the Collateral Agent shall have executed and delivered to the Purchaser the Amendment No. 1 to the Amended and Restated Security Agreement in the form of Exhibit F attached hereto (**"Amendment No. 1 to Security Agreement"**).

3J. Recordings, etc. On or before the Series 2008-A Date of Closing, all recordings and filings shall have been made, and all fees in connection therewith shall have been paid, in order to establish, perfect, protect and preserve the rights, title, interests, remedies, privileges and Liens of the Collateral Agent hereunder and under the Security Agreement and Mortgage and to create a first priority mortgage lien on or security interest in all of the assets and personal properties (whether real or personal) of the Company (other than the real property described on Schedule 3J and the property excluded from the legal description attached as Exhibit A to the Mortgage) in favor of the Collateral Agent, subject to no other Liens except Permitted Encumbrances, including without limitation (i) the recording of the Mortgage in order to create a valid mortgage lien on and perfected security interest in the Mortgaged Property in favor of the Collateral Agent subject to no other Liens except Permitted Encumbrances and (ii) the filing of all financing statements and other writings to be filed, recorded or delivered in order to create a perfected, first priority security interest in all of the Collateral in favor of the Collateral Agent.

3K. Certificates of Insurance. On or before the Series 2008-A Date of Closing, the Company shall have delivered certificates of insurance from the Company's independent insurance agent summarizing the details of such insurance in effect as required by paragraph 5F.

3L. Guarantee. On or before the Series 2008-A Date of Closing, SCANA shall have executed and delivered to the Purchaser a Guarantee Agreement in substantially the form of Exhibit G attached hereto (the **"2008 SCANA Guarantee"**).

3M. Agreements in Effect. Each of the Sales Agreement and Operating Agreement shall be in full force and effect without any amendment or supplement thereto or waiver of any rights by any party thereunder and there shall be no default or claim of default by any party under either of such agreements.

3N. Delivery of Notes. The Company shall have delivered to the Purchaser the Series 2008-A Notes or the Series 2008-B Notes, as the case may be, to be delivered to the Purchaser on such Date of Closing pursuant to paragraph 2, all duly completed and executed by the Company.

3O. Indemnity Agreement. On or before the Series 2008-A Date of Closing, SCE&G shall have executed and delivered to the Purchaser an Indemnity Agreement ("**Indemnity Agreement**") substantially in the form of the 2004 Indemnity Agreement.

3P. Subordination Agreement. On or before the Series 2008-A Date of Closing, SCANA and the Company shall have executed and delivered to the Purchaser a Subordination Agreement substantially in the form of the 2004 Subordination Agreement ("**Subordination Agreement**").

3Q. Inducement Letter. On or before the Series 2008-A Date of Closing, SCE&G shall have executed and delivered to the Purchaser a letter agreement substantially in the form of the 2004 Inducement Letter ("**Inducement Letter**").

3R. Amendment to Collateral Agency Agreement. On or before the Series 2008-A Date of Closing, the Purchaser, the holders of the 1992 Notes, the holders of the 2004 Notes, the Collateral Agent and the Company shall have executed and delivered to the Purchaser the Amendment No. 1 to Collateral Agency Agreement in the form of Exhibit H attached hereto (the **"Amendment No. 1 to Collateral Agency Agreement"**).

3S. Modification of 2004 Documents. On or before the Series 2008-A Date of Closing, the Company, SCANA, SCE&G and, with respect to the modification referred to in clause (i), the Required Holders (as defined in the 2004 Note Agreement) shall have executed and delivered to the Purchaser an agreement or agreements, in form and substance satisfactory to the Purchaser, pursuant to which (i) the 2004 Note Agreement is modified to permit the issuance of the Notes, (ii) SCANA reaffirms the 2004 Subordination Agreement, (iii) SCE&G reaffirms the 2004 Indemnity Agreement and (iv) SCE&G reaffirms the 2004 Inducement Letter.

3T. Modification of 1992 Documents. On or before the Series 2008-A Date of Closing, the Company, SCANA, SCE&G and, with respect to the modification referred to in clause (i), the Required Holders (as defined in the 1992 Note Agreement) shall have executed and delivered to the Purchaser an agreement or agreements, in form and substance satisfactory to the Purchaser, pursuant to which (i) the 1992 Note Agreement is modified to permit the issuance of the Notes, (ii) SCANA reaffirms the 1992 Subordination Agreement, (iii) SCE&G reaffirms the 1992 Indemnity Agreement and (iv) SCE&G reaffirms the 1992 Inducement Letter.

3U. Fees and Expenses. Without limiting the provisions of paragraph 11B hereof, the Company shall have paid the reasonable fees, charges and disbursements of special counsel to the Purchaser referred to in paragraph 3A hereof.

3V. Issuance Fee; Delayed Delivery Fee.

(a) On or before the Series 2008-A Date of Closing, the Company shall have paid to the Purchaser directly, by wire transfer of immediately available funds, an issuance fee in the amount of $200,000.

(b) The Company shall have paid to the Purchaser, by wire transfer of immediately available funds, any Delayed Delivery Fee due to the Purchaser under paragraph 4F.

3W. Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in substance and form to the Purchaser, and the Purchaser shall have received all such counterpart originals or certified or other copies of such documents as the Purchaser may reasonably request.

4. PREPAYMENTS. The Notes shall not be subject to any required scheduled prepayments. The Notes shall be subject to the optional prepayments permitted by paragraph 4B.

4A. Payment at Maturity. The outstanding principal amount of the Notes, together with any accrued and unpaid interest thereon, shall become due on June 1, 2018, the maturity date of the Notes.

4B. Optional Prepayment With Yield-Maintenance Amount. The Notes of each Series shall be subject to prepayment, in whole at any time or from time to time in part (in multiples of $100,000, provided that any such prepayment shall not be less than $1,000,000), at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield-Maintenance Amount, if any, with respect to each Note.

4C. Notice of Optional Prepayment. The Company shall give the holder of each Note of any Series to be repaid pursuant to paragraph 4B irrevocable written notice of such prepayment pursuant to paragraph 4B not less than 10 Business Days prior to the prepayment date, specifying such prepayment date and the principal amount of the Notes, and of the Notes held by such holder, to be prepaid on such date and stating that such prepayment is to be made pursuant to paragraph 4B. Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the Yield-Maintenance Amount, if any, with respect thereto, shall become due and payable on such prepayment date. The Company shall, on or before the day on which it gives written notice of any prepayment pursuant to paragraph 4B, give telephonic notice of the principal amount of the Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient of such notices in the Purchaser Schedule attached hereto or by notice in writing to the Company.

4D. Partial Payments Pro Rata. Upon any partial prepayment of the Notes of any Series pursuant to paragraph 4B, the principal amount so prepaid shall be allocated to all Notes of such Series at the time outstanding and paid to the holders thereof in proportion to the respective outstanding principal amounts thereof.

4E. Retirement of Notes. The Company shall not, and shall not permit any of its Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraph 4B or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes of any Series held by any holder unless the Company or such Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes of such Series held by each other holder of Notes of such Series at the time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Affiliates shall not be deemed to be outstanding for any purpose under this Agreement.

4F. Delay of Series 2008-B Date of Closing; Delayed Delivery Fee; Cancellation Fee.

4F(1). Delay of Series 2008-B Date of Closing. If the Company fails to tender to the Purchaser the Series 2008-B Notes to be purchased by the Purchaser on October 1, 2008, or any of the conditions specified in paragraph 3 with respect to the Series 2008-B Closing shall not have been fulfilled on October 1, 2008, the Company shall, prior to 1:00 P.M., New York City local time, on October 1, 2008, notify Prudential (which notification shall be deemed received by the Purchaser) in writing whether (i) the Series 2008-B Closing is to be rescheduled (such rescheduled date to be a Business Day and not more than 10 Business Days after such scheduled Date of Closing (the "**Rescheduled Closing Date"**)) and certify to Prudential (which certification shall be for the benefit of the Purchaser) that the Company reasonably believes that it will be able to comply with the conditions set forth in paragraph 3 with respect to the Series 2008-B Closing on such Rescheduled Closing Date and that the Company will pay the Delayed Delivery Fee in accordance with paragraph 4F(2) or (ii) the Series 2008-B Closing is to be canceled. In the event that the Company shall fail to give the notice referred to in the preceding sentence by the time set forth therein, the Company shall be deemed to have elected that the Series 2008-B Closing is to be cancelled as of October 1, 2008. Notwithstanding anything to the contrary appearing in this Agreement, the Company may not elect to reschedule the Series 2008-B Closing on more than one occasion, unless the Purchaser shall have otherwise consented in writing.

4F(2). Delayed Delivery Fee. If the Series 2008-B Closing is delayed for any reason beyond October 1, 2008, then the Company will pay to each Person which is or was to be the Purchaser of Series 2008-B Notes on the Cancellation Date or actual Date of Closing of the Series 2008-B Notes, a fee (herein called the "**Delayed Delivery Fee"**) calculated as follows:

$$(BEY - MMY) \times DTS/360 \times PA$$

where **"BEY"** means Bond Equivalent Yield, i.e., the bond equivalent yield per annum of the Series 2008-B Notes; **"MMY"** means Money Market Yield, i.e., the yield per annum on a commercial paper investment of the highest quality selected by Prudential and having a maturity date or dates the same as, or closest to, the Rescheduled Closing Date or Rescheduled Closing Dates for the Series 2008-B Notes (a new alternative investment being selected by Prudential each time the Series 2008-B Closing is delayed); **"DTS"** means Days to Settlement, i.e., the number of actual days elapsed from and including October 1, 2008 to but excluding the date of such payment; and **"PA"** means Principal Amount, i.e., the principal amount of the Series 2008-B Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate the Purchaser to purchase any Series 2008-B Note on any day other than the Series 2008-B Date of Closing, as the same may be rescheduled from time to time by mutual agreement of the Company and the Purchaser.

4F(3). Cancellation Fee. If the Company at any time notifies Prudential in writing that the Company is canceling the Series 2008-B Closing, if the Company is deemed to have elected pursuant to the penultimate sentence of paragraph 4F(1) that the Series 2008-B Closing is to be canceled, or if the Series 2008-B Date of Closing is rescheduled to a Rescheduled Closing Date pursuant to paragraph 4F(1) but the Company fails to tender to the Purchaser the Series 2008-B

Notes to be purchased by the Purchaser on such Rescheduled Closing Date or any of the conditions specified in paragraph 3 with respect to the Series 2008-B Closing shall not have been either fulfilled or expressly waived in writing by the Purchaser on such Rescheduled Closing Date and the Series 2008-B Closing does not occur on such Rescheduled Closing Date (the date of any such notification or deemed election or such Rescheduled Closing Date, as the case may be, being herein called the "**Cancellation Date"**), then on the Cancellation Date the Company will pay to each Person which was to be the Purchaser of the Series 2008-B Notes in immediately available funds an amount (the "**Cancellation Fee"**) calculated as follows:

PI X PA

where **"PI"** means Price Increase, i.e., the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Notes(s) on May 27, 2008 by (b) such bid price; and **"PA"** has the meaning ascribed to it in paragraph 4F(2). The foregoing bid and ask prices shall be as reported by TradeWeb LLC (or, if such data for any reason ceases to be available through TradeWeb LLC, any publicly available source of similar market data). Each price shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.

5. AFFIRMATIVE COVENANTS.

5A. Financial Statements. The Company covenants that it will deliver to each Significant Holder:

(i) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, statements of income, retained earnings and cash flows of the Company for the period from the beginning of the current fiscal year to the end of such quarterly period, and a balance sheet of the Company as at the end of such quarterly period, setting forth in the case of the statements of income in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and satisfactory in form to the Required Holder(s) and certified by an authorized financial officer of the Company, subject to changes resulting from year end adjustments; provided, that the Company shall be deemed to have made such delivery of the financial statements described above if it shall have timely posted such financial statements on its home page on the worldwide web and shall have given each Significant Holder prior notice (such notice to include the address of its home page and any user identification information or passwords necessary to access such financial statements) of such availability on its home page (such availability and notice thereof being referred to as *"Electronic Delivery"*) or delivered such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;

(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, statements of income, cash flows and retained earnings of the Company for such year, and a balance sheet of the Company as at the end of such year, setting forth in each case in comparative form corresponding figures from the preceding annual report,

all in reasonable detail and satisfactory in form to the Required Holder(s) and, as to the statements, certified by an authorized financial officer of the Company and reported on by independent public accountants of recognized national standing selected by the Company whose report shall be substantially in the form of Schedule 5A(ii) as to scope and satisfactory in substance to the Required Holder(s); provided, that the Company shall be deemed to have made such delivery of the financial statements described above if it shall have timely made Electronic Delivery thereof or delivered such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;

(iii) promptly upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its public stockholders and copies of all registration statements (without exhibits) and all reports pursuant to the Securities Exchange Act of 1934 (other than Forms 3, 4 and 5 or similar forms) which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission); provided, that the Company shall be deemed to have made such delivery of the items described above if it shall have timely made Electronic Delivery thereof or delivered such items to each Significant Holder in a manner that has been approved by such Significant Holder;

(iv) promptly upon receipt thereof, a copy of each other report submitted to the Company by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company;

(v) promptly after the sending or filing thereof, copies of all annual FERC Form 1 Reports which the Company files with the FERC; and

(vi) with reasonable promptness, such other financial data as such Significant Holder may reasonably request.

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to each Significant Holder an Officer's Certificate (a) demonstrating (with computations in reasonable detail) compliance by the Company with the provisions of paragraph 6A, (b) stating that the Company has complied at all times with paragraph 5E and (c) stating that there exists no Event of Default or Default, or, if any Event of Default or Default exists, specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto (which, in the case of Electronic Delivery of any such financial statements, shall be by separate prompt delivery of such Officer's Certificate to each Significant Holder). The Company also covenants that immediately after any Responsible Officer obtains knowledge of an Event of Default or Default, it will deliver to each Significant Holder an Officer's Certificate specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto.

5B. Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information

requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5B, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5C. Inspection of Property; Books and Records. The Company covenants that it will permit any Person designated by any Significant Holder in writing, at such Significant Holder's expense prior to an Event of Default and at the expense of the Company thereafter, to visit and inspect any of the properties of the Company, to examine the corporate books and financial records of the Company and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts thereof with the principal officers of the Company and its independent public accountants, all at such reasonable times and as often as such Significant Holder may reasonably request. The Company covenants that it will keep separate and proper books of records and accounts, in which full and correct entries shall be made of all transactions including any transactions between the Company and any of its Affiliates, all in accordance with generally accepted accounting principles.

5D. Conduct of Business; Maintenance of Existence; Compliance with Laws; Payment of Taxes. The Company covenants that it shall (i) continue to engage principally in the businesses in which it is presently engaged, (ii) subject to paragraph 6B(3) of this Agreement, preserve, renew and keep in full force and effect its corporate existence and its rights, licenses, privileges and franchises necessary or desirable in the normal conduct of its business, (iii) comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, ERISA and the rules and regulations thereunder), (iv) maintain all of its property in good repair, working order and condition, and (v) pay and discharge or cause to be discharged all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any of its property, real, personal or mixed, or upon any part thereof, when due, as well as all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon its property, provided, however, that the Company shall not be required to pay any such tax, assessment, charge, levy or claim if (a) the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings, (b) such reserve or other appropriate provision, if any, as the Company shall deem adequate (but in no event shall such reserve or provision be in an amount less than such amount as shall be required by generally accepted accounting principles) shall have been made therefor and (c) any such proceeding could not pose any material risk of forfeiture or loss of any portion of the Collateral or the Mortgaged Property.

5E. Environmental Compliance and Indemnification.

(a) The Company covenants that it shall (i) comply with, and ensure compliance in all material respects by any and all occupants of the Mortgaged Property with, all Environmental Laws, (ii) keep the Mortgaged Property free of any Lien imposed pursuant to Environmental Laws and (iii) pay or cause to be paid when due any and all costs of complying with Environmental Laws and responding to any Environmental Event (including without limitation, all damages, liabilities, expenses and costs of all claims in connection therewith). If the Company fails to do any of the foregoing, then (A) after the occurrence of an Event of

Default which is continuing under this Agreement or (B) in the event any holder of any Note sustains any liability, loss, cost, damage or expense (including attorneys' fees and expenses) arising out of any Environmental Event, such holder may take any action necessary in its judgment to respond to such Environmental Event, and the cost of such response action shall be added to the indebtedness evidenced by the Notes and secured by the Mortgage and the Security Agreement. The Company will give to each holder, its agents and employees access to the Mortgaged Property, and the Company hereby specifically grants to each holder of any Note a license effective only upon the occurrence of an event described in clause (A) or (B) above to respond to such Environmental Event.

(b) The Company will not use the Mortgaged Property to generate, manufacture, refine, produce, treat, store, handle, dispose of, recycle, transfer, process or transport Hazardous Substances other than (A) as necessary to operate the Williams Station and (B) in compliance in all material respects with Environmental Laws.

(c) The Company will notify the holders of the Notes promptly upon receipt by the Company of any notice, advice or communication from any governmental authority or any other source or Person with respect to Hazardous Substances which may be in, on, under or migrating from or affecting the Mortgaged Property. The Company will also maintain at the Mortgaged Property, and keep available for inspection during ordinary business hours by the holders of the Notes, accurate and complete records of all investigations, studies, assessments, sampling and testing conducted, and any and all response actions taken, by the Company or any governmental authority or other Person in respect of Hazardous Substances which may be in, on, under, migrating from or affecting the Mortgaged Property.

(d) The Company shall indemnify and hold the holders of the Notes harmless from and against any and all liability, loss, cost, damage and expense, including without limitation reasonable attorneys' fees, incurred or suffered by the holders, whether in or to which the holders become or may become a party, either as a plaintiff or as a defendant, in connection with or arising from or out of:

(i) any Hazardous Substances on, in, under or affecting all or any portion of the Mortgaged Property, the underlying groundwater, or any adjacent or surrounding areas;

(ii) any misrepresentation, inaccuracy or breach in any material respect of any representation, warranty, covenant or agreement of the Company contained in this paragraph 5E or paragraph 8M(b);

(iii) any violation or claim of violation of any Environmental Laws; or

(iv) the imposition of any Lien on the Mortgaged Property for the recovery of any costs for environmental cleanup and/or other response costs relating to the release or threatened release of Hazardous Substances;

provided, however, that such indemnification shall not apply to the extent that any such liability, loss, cost, damage or expense is attributable solely to any action taken by the holders of the Notes, their agents or their employees pursuant to the right of access to the Mortgaged Property provided in paragraph 5E(a), which action was the result of the gross negligence or willful misconduct of such holders, agents or employees.

The foregoing indemnification shall survive repayment of the Notes, any sale or other transfer of the Mortgaged Property by the Company or any transfer of the Mortgaged Property by foreclosure or by a deed in lieu of foreclosure. The foregoing indemnification shall not be affected or negated by any exculpatory clause that may be contained in the Notes, this Agreement or any other Transaction Document. The Company hereby waives, releases and agrees not to make any claim or bring any cost recovery action against the holders of the Notes under CERCLA or any state equivalent, or any similar law now existing or hereafter enacted; provided, however, that such waiver, release or agreement shall not apply to the extent that such claim or cost recovery action is based on the gross negligence or willful misconduct of the holders of the Notes or any of their agents, employees or assigns. It is expressly understood and agreed that the obligation of the Company to the holders of the Notes under this indemnity shall be without regard to fault on the part of the Company.

5F. Maintenance of Insurance. The Company covenants that it shall (i) maintain insurance in such amounts and with such deductibles and against such liabilities and hazards as customarily is maintained by other companies operating similar businesses, and (ii) upon a request by any holder of a Note, deliver to such holder a copy of the certificate of the Company's independent insurance agent summarizing the details of such insurance in effect and stating the term of such insurance. The property insurance policies will be insured by reputable insurance companies with loss payable and standard non-contribution mortgagee clauses in favor of the Collateral Agent. Losses shall be applied to the repair or replacement of damaged equipment or paid to the Collateral Agent in accordance with the Mortgage.

5G. Enforcement of Certain Credit Documents. The Company covenants that it shall enforce and monitor the terms, conditions and requirements of the Sales Agreement and the Operating Agreement.

5H. Further Actions -- Mortgaged Property and Collateral.

(i) Upon the written request of any holder of the Notes, the Company shall, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to such holder and the Collateral Agent from time to time such lists, descriptions and designations of the Mortgaged Property and Collateral, schedules, surveys, confirmatory assignments, conveyances, financing statements, transfer endorsements, certificates, reports and other assurances or instruments and take such further steps relating to the Mortgaged Property and Collateral and other property or rights covered by the Liens granted by the Mortgage and Security Agreement, which any holder of a Note reasonably deems appropriate or advisable to perfect, preserve, protect or enforce the Liens granted to the Collateral Agent in the Mortgage and Security Agreement.

(ii) After the occurrence of an Event of Default, upon the request of the Required Holder(s), the Company shall engage (and upon the failure of the Company to engage the holders of the Notes may engage at the Company's expense) environmental consultants and engineers reasonably satisfactory to the Required Holder(s) to perform an environmental assessment which shall be reasonably satisfactory to the Required Holder(s).

5I. Holders Not Liable. The Company covenants that nothing in this Agreement or any other Transaction Document shall be construed as imposing on any holder of any Note any obligation or liability with respect to the Mortgaged Property or the Collateral, nor shall any such holder be obligated to perform any of the obligations or duties of the Company under the Mortgage or Security Agreement.

5J. Annual Security Interest Opinion. The Company covenants that it will, not later than 120 days after the end of the calendar year ended on December 31, 2008 and after the end of each fifth calendar year (or such shorter period of time as any UCC continuation statement or mortgage continuation statement is required to be filed with respect to the Liens created by the Mortgage and the Security Agreement) thereafter, deliver to Prudential and the Collateral Agent, an opinion of counsel satisfactory to the Required Holder(s) covering the following matters: (i) (a) describing the recordings, filings or UCC continuation statements required to be filed during the calendar year most recently ended in order to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and identifying the jurisdictions in which such filings or recordings are required to be made and (b) that the Company has taken such action as was necessary to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and reciting the details of such actions, or stating that no such action was necessary to maintain such Lien during such calendar year, (ii) (a) whether or not any recordings, filings or UCC continuation statements are required to be filed within the then-current calendar year in order to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and identifying the jurisdictions in which such filings or recordings are required to be made and (b) either that the Company has taken, or caused or will cause to be taken, such action as is necessary to maintain the Lien created by the Mortgage and the Security Agreement, and the perfection thereof, and reciting the details of such actions, or stating that no such action is necessary to maintain such Lien during such fiscal year.

5K. Amendment to Mortgage. The Company covenants that, upon transfer of title of any of the real property in Berkeley County, South Carolina set forth on Schedule 8C to the Company, it shall promptly give written notice to the Collateral Agent and Prudential of such transfer and shall execute an amendment to the Mortgage and all such other certificates, instruments and other documentation reasonably requested by the Collateral Agent and the Required Holder(s) pursuant to which the Mortgage is amended to include such real property in the definition of Mortgaged Property and a Lien in all property in Berkeley County, South Carolina set forth on Schedule 8C is granted to the Collateral Agent for the benefit of the holders of the Notes and the holders of the 2004 Notes and the 1992 Notes.

6. NEGATIVE COVENANTS.

6A. Equity Maintenance. The Company covenants that it will not cause or permit at any time Equity to be less than 15% of Total Capital.

6B. Lien, Debt and Other Restrictions. The Company covenants that it shall not directly or indirectly:

6B(1). Liens -- Create, assume or suffer to exist any Lien, except:

(i) the Liens in favor of the Collateral Agent pursuant to the Mortgage and the Security Agreement,

(ii) Liens for taxes, assessments and other governmental charges not yet due or which (a) are being actively contested in good faith by appropriate proceedings, (b) for which reserves have been established to the extent required by generally accepted accounting principles, and (c) could not pose any material risk of forfeiture or loss of any portion of the Collateral or the Mortgaged Property,

(iii) Statutory Liens of landlords and Liens of carriers, warehousemen, mechanics and materialmen (a) incurred in the ordinary course of business for sums not yet due, (b) the payment of which is not at the time required, or (c) securing obligations which are not overdue for a period of more than 90 days,

(iv) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business (a) in connection with workers' compensation, unemployment insurance and other types of social security, or (b) to secure (or to obtain letters of credit that secure) the performance of statutory obligations, surety and appeal bonds, bids, performance bonds, purchase, construction or sales contracts and other similar obligations, in each case not incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property,

(v) Easements, rights-of-way, restrictions and other similar charges or encumbrances, in each case incidental to, and not interfering with, the ordinary conduct of the business of the Company, and

(vi) Liens existing on the date hereof, which Liens are described on Schedule 6B(1)(vi) hereto, and

(vii) Liens to secure Debt of the Company, provided that (a) the incurrence of such Debt was permitted by clause (iii) of paragraph 6B(2), (b) such liens do not encumber any property of the Company other than pollution control devices and related fixtures described under clause (iii) of paragraph 6B(2) and (c) such liens are created or incurred within 6 months after the completion of the installation of such devices and fixtures;

6B(2). Debt -- create, incur, assume any Debt, or create, issue, incur or suffer to exist any Guarantee, except:

(i) Debt represented by the Notes, the 2004 Notes, the 1992 Notes and the Pollution Control Bonds; provided, that, the aggregate outstanding principal amount of the Debt represented by the Pollution Control Bonds shall not exceed $50,000,000 at any time,

(ii) Debt of the Company which is described on Schedule 6B(2)(ii) hereto, provided that, except with respect to unsecured Debt of the Company to SCANA and SCANA Services, (a) the principal amount of such Debt shall not be increased above the principal amount thereof outstanding on the date hereof, as set forth on such Schedule, and (b) no such Debt shall be renewed or extended or remain outstanding after the stated maturity thereof, and

(iii) Debt of the Company not otherwise permitted by clauses (i) and (ii) of this paragraph 6B(2), provided that, (a) all such Debt is created, incurred or assumed in connection with the acquisition and installation of pollution control devices and related fixtures at the Williams Station, (b) the installation of such devices and fixtures is required by law or is part of the Company's program to comply with law, (c) the principal amount of such Debt shall not at the time of the completion of such installation exceed the lesser of (x) the cost to the Company of the pollution control devices and related fixtures so acquired and the cost of their installation, and (y) the fair value of such pollution control devices and related fixtures at the time of the completion of such installation and (d) the lender or lenders with respect to such Debt execute an intercreditor agreement with the holders of the Notes in form and substance satisfactory to the Required Holder(s) providing that, among other things, (i) the Collateral Agent may possess a Lien on such pollution control devices prior to all other Liens thereon other than the Lien of such lender or lenders, (ii) such lender or lenders acknowledge such second Lien on the pollution control devices granted to the Collateral Agent and (iii) such lender or lenders acknowledge the first priority of the Collateral Agent's Lien on all of the assets and properties (whether real or personal) of the Company (other than such pollution control devices and the real property described on Schedule 3J and the property excluded from the legal description attached as Exhibit A to the Mortgage), subject only to Permitted Encumbrances; provided, however, if such Debt is unsecured, such lender or lenders shall instead deliver to the holders of the Notes an acknowledgment that such Debt is unsecured and shall remain unsecured and that the Collateral Agent has a first priority lien on all of such property and assets of the Company, which acknowledgment shall be in form and substance acceptable to the Required Holder(s).

6B(3). Merger and Sale and Purchase of Assets -- Merge or consolidate with any other corporation, sell, lease, transfer or otherwise dispose of any of its assets (including without limitation any of the Mortgaged Property or the Collateral) to any Person, or acquire all or substantially all of the assets of any Person, except that the Company may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, or acquire all or substantially all of the assets of, any other corporation, provided that (i) both before and immediately after such merger, consolidation, sale, lease, transfer or other disposition or

acquisition no Default or Event of Default shall exist, (ii) the corporation formed by any such consolidation or into which the Company shall have been merged, or to which all or substantially all of the Company's assets are transferred, assumes unconditionally in writing (which writing shall be satisfactory to the Required Holder(s)) the payment and performance of all obligations of the Company under the Credit Documents to which it is a party and (iii) the holders of the Notes shall have received an opinion from counsel satisfactory to the Required Holder(s), in form and substance satisfactory to the Required Holder(s), as to such matters as the Required Holder(s) may reasonably request.

6B(4). Compliance with ERISA -- (i) terminate, or permit any Affiliate to terminate, any Plan so as to result in any material liability of the Company to the Pension Benefit Guaranty Corporation, or (ii) permit to exist any occurrence of any Reportable Event (as defined in Title IV of ERISA), or any other event or condition, which presents a material risk of such a termination by the Pension Benefit Guaranty Corporation of any Plan.

6B(5). No Amendment of Documents -- enter into or consent to, or suffer to occur, any amendment, modification, waiver or termination of the Sales Agreement or the Operating Agreement.

6B(6). Restricted Investments -- Own, purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to any Person such that after giving effect thereto such Person is a Subsidiary of the Company or make or permit to remain outstanding any loan or advance to any Person except the Company may (i) make investments in accordance with its written cash investment policy as set forth as Schedule 6B(6) and (ii) make advances to the Utility Money Pool.

6C. Protection of Security. The Company covenants that it shall not do anything to impair the rights of the holders of the Notes and the Collateral Agent in the Mortgaged Property or the Collateral. The Company assumes all liability and responsibility in connection with the Mortgaged Property and Collateral, and the liability of the Company with respect to the Notes shall in no way be affected or diminished by reason of the fact that such Mortgaged Property or Collateral may be damaged or for any reason whatsoever unavailable to the Company.

7. EVENTS OF DEFAULT.

7A. Acceleration. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) the Company defaults in the payment of any principal of or Yield-Maintenance Amount payable with respect to any Note, any 2004 Note or any 1992 Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or

(ii) the Company defaults in the payment of any interest on any Note, any 2004 Note or any 1992 Note for more than 3 days after the date due; or

(iii) the Company, SCANA or any of SCANA's Significant Subsidiaries defaults (whether as primary obligor or as guarantor or other surety) in any payment of principal of or interest on any other obligation for money borrowed (or any Capitalized Lease Obligation, any Guarantee, any obligation under a conditional sale or other title retention agreement, any obligation issued or assumed as full or partial payment for property whether or not secured by a purchase money mortgage or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Company, SCANA or any of SCANA's Significant Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing) and the effect of such failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due (or to be repurchased by the Company, SCANA or any of SCANA's Significant Subsidiaries) prior to any stated maturity; provided that, with respect to SCANA and any of SCANA's Significant Subsidiaries (other than the Company) the aggregate amount of all obligations as to which such a default in payment or such failure or other event causing or permitting acceleration (or resale) equals or exceeds $35,000,000; or

(iv) any representation or warranty made by any Credit Party in any Credit Document shall be false in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in paragraphs 5E or 6 hereof or in Section 2.07 of the Mortgage; or

(vi) any Credit Party fails to perform or observe any other agreement, term or condition contained in any Credit Document and such failure shall not be remedied within 30 days after any Responsible Officer obtains actual knowledge thereof; or

(vii) the Company, SCANA or any of SCANA's Significant Subsidiaries makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) any decree or order for relief in respect of the Company, SCANA or any of SCANA's Significant Subsidiaries is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the **"Bankruptcy Law"**), of any jurisdiction; or

(ix) the Company, SCANA or any of SCANA's Significant Subsidiaries petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company, SCANA or any of SCANA's Significant Subsidiaries, or of any substantial part of the assets of the Company, SCANA or any of SCANA's Significant Subsidiaries, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a

Subsidiary) relating to the Company, SCANA or any of SCANA's Significant Subsidiaries under the Bankruptcy Law of any other jurisdiction; or

(x) any such petition or application is filed, or any such proceedings are commenced, against the Company, SCANA or any of SCANA's Significant Subsidiaries and the Company, SCANA or any such Significant Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 30 days; or

(xi) any order, judgment or decree is entered in any proceedings against the Company, SCANA or any of SCANA's Significant Subsidiaries decreeing the dissolution of the Company, SCANA or any of SCANA's Significant Subsidiaries and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xii) any order, judgment or decree is entered in any proceedings against the Company, SCANA or any of SCANA's Significant Subsidiaries decreeing a split-up of the Company, SCANA or any such Subsidiary which requires the divestiture of the stock of a Significant Subsidiary of SCANA or the divestiture of assets representing a substantial part of the assets of the Company or of the consolidated assets of SCANA and its Subsidiaries (determined in accordance with generally accepted accounting principles) or which requires the divestiture of stock of a Significant Subsidiary of SCANA or the divestiture of assets which shall have contributed a substantial part of the net income of the Company or of the consolidated net income of SCANA and its Subsidiaries (determined in accordance with generally accepted accounting principles) for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xiii) a final judgment in an amount in excess of (i) $5,000,000 is rendered against the Company, or (ii) $35,000,000 is rendered against SCANA or any of SCANA's Significant Subsidiaries, and, within 60 days after entry thereof, such judgment is not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgment is not discharged; or

(xiv) either the Company, SCANA or any of their ERISA Affiliates, in its capacity as an employer under a Multiemployer Plan, makes a complete or partial withdrawal from such Multiemployer Plan resulting in the incurrence by such withdrawing employer of a withdrawal liability which is or would be materially adverse to the business, condition (financial or otherwise) or operations of the Company; or

(xv) any Credit Document or any provision of any Credit Document shall at any time for any reason be terminated or cease to be valid and binding on the Credit Party thereto, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by any Credit Party, or a proceeding shall be commenced by any governmental agency or authority having jurisdiction over such Credit Party seeking to establish the invalidity or unenforceability thereof, or such Credit Party shall deny that

any Credit Party thereto has any or further liability or obligation under such Credit Document; or

(xvi) the Collateral Agent shall cease to possess at any time a valid, perfected, first priority mortgage lien on and security interest in all of the assets and properties (whether real or personal) of the Company (other than the real property described on Schedule 3J and the property excluded from the legal description attached as Exhibit A to the Mortgage) subject only to Permitted Encumbrances; or

(xvii) a Mortgage Event of Default (as defined in the Mortgage) has occurred and is continuing; or

(xviii) SCANA shall cease to own 100% of the capital stock of (i) SCE&G, except preferred stock having voting rights only following the nonpayment of any required dividend thereon and containing other terms as are customary in the utility industry or (ii) the Company; or

(xix) there shall occur any loss, theft, damage or destruction of all or any material part of the Collateral or the Mortgaged Property for which the Company is not fully insured as required by this Agreement or any other Transaction Document or there shall occur any loss, theft, damage or destruction of all or any part of the Collateral or the Mortgaged Property for which the Company is fully insured as required by this Agreement or any other Transaction Document if the amount of such loss, theft, damage or destruction exceeds $100,000,000 (excluding any amount of such loss, theft, damage or destruction paid for by a third-party insurance company or covered by insurance provided by a solvent third-party insurance company that has acknowledged coverage in writing and is not contesting its liability therefor); or

(xx) all or any material part of the Collateral or the Mortgaged Property is condemned, attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors and on or before the thirtieth (30th) day thereafter such assets are not returned to the Company and/or such condemnation action, writ, distress warrant or levy is not dismissed, stayed or lifted;

then (a) if such event is an Event of Default specified in clause (i) or (ii) of this paragraph 7A, the holder of any Note (other than the Company or any of its Affiliates) may at its option, by notice in writing to the Company, declare such Note to be, and such Note shall thereupon be and become, immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company, (b) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable at par together with interest accrued thereon and together with the Yield-Maintenance Amount, if any, with respect to each Note, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company, and (c) if such event is not an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, the Required Holder(s) may at its or their option,

by notice in writing to the Company, declare all of the Notes to be, and all of the Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, if any, with respect to each Note, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company.

7B. Rescission of Acceleration. At any time after any or all of the Notes shall have been declared immediately due and payable pursuant to paragraph 7A, the Required Holder(s) may, by notice in writing to the Company, rescind and annul such declaration and its consequences if (i) the Company shall have paid all overdue interest on the Notes, the principal of and Yield-Maintenance Amount, if any, payable with respect to any Notes which have become due otherwise than by reason of such declaration, and interest on such overdue interest and overdue principal and Yield-Maintenance Amount at the rate specified in the Notes, (ii) the Company shall not have paid any amounts which have become due solely by reason of such declaration, (iii) all Events of Default and Defaults, other than non-payment of amounts which have become due solely by reason of such declaration, shall have been cured or waived pursuant to paragraph 11C, and (iv) no judgment or decree shall have been entered for the payment of any amounts due pursuant to the Notes or this Agreement. No such rescission or annulment shall extend to or affect any subsequent Event of Default or Default or impair any right arising therefrom.

7C. Notice of Acceleration or Rescission. Whenever any Note shall be declared immediately due and payable pursuant to paragraph 7A or any such declaration shall be rescinded and annulled pursuant to paragraph 7B, the Company shall forthwith give written notice thereof to the holder of each Note at the time outstanding.

7D. Other Remedies. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note or the Collateral Agent is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents and warrants as of each Date of Closing and, with respect to paragraphs 8I and 8J, also covenants, as follows:

8A. Organization. The Company is a corporation duly organized and existing under the laws of the State of South Carolina. The Company is duly qualified and authorized to transact business as a foreign corporation and is in good standing in every jurisdiction in which the nature of the business conducted by it or the ownership of its properties or assets makes such qualification necessary, except where the failure to be in good standing or to be so qualified or

authorized would not have a material adverse effect on the business, condition (financial or otherwise) or operations of the Company.

8B. Power and Authority. The Company has all requisite corporate power to conduct its business as currently conducted and as currently proposed to be conducted. The Company has all requisite corporate power to execute, deliver and perform its obligations under each of the Transaction Documents to which it is a party. The execution, delivery and performance by the Company of each of the Transaction Documents to which it is a party have been duly authorized by all requisite corporate action on the part of the Company. The Company has duly executed and delivered each of the Transaction Documents to which it is a party, and each of the Transaction Documents to which it is a party constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

8C. Financial Statements. The Company has furnished to Prudential the following financial statements, (i) a balance sheet of the Company as at December 31 in each of the years 2005 to 2007, inclusive, and statements of income, retained earnings and cash flows of the Company for each such year, all reported on by the Company's independent public accountants and (ii) a balance sheet of the Company as at the end of the quarterly period (if any) most recently completed prior to the date as of which this representation is made or repeated to the Purchaser and after December 31, 2007 (other than quarterly periods completed within sixty (60) days prior to such date for which financial statements have not been released) and statements of income and cash flows and retained earnings for the periods from the beginning of the fiscal year in which such quarterly periods are included to the end of such quarterly periods, prepared by the Company. Such financial statements, and any financial statements delivered pursuant to paragraph 5A prior to the time this representation is made (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year-end adjustments), have been prepared in accordance with the accounting requirements of FERC as set forth in its applicable Uniform System of Accounts and published accounting releases consistently followed throughout the periods involved (except as otherwise expressly set forth therein) and show all liabilities, direct and contingent, of the Company required to be shown in accordance with such principles. Except as set forth in Schedule 8C, the balance sheets fairly present the condition of the Company as at the dates thereof, and the statements of income, retained earnings and cash flows fairly present the results of the operations of the Company and its cash flows for the periods indicated. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Company since December 31, 2007.

8D. Actions Pending. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company, or any properties or rights of the Company, by or before any court, arbitrator or administrative or governmental body, other than any regulatory proceedings before FERC, SCPSC, which, if determined adversely to the Company, would result in a material adverse change in the business, condition (financial or otherwise) or operations of the Company.

8E. Outstanding Debt. The Company has no outstanding Debt except (i) as permitted by paragraph 6B(2) and (ii) with respect to the making of this representation on the Series 2008-B Date of Closing, as disclosed in (a) the financial statements of the Company

delivered pursuant to paragraph 5A or (b) writing to the Purchaser prior to such Date of Closing. There exists no default (nor any event which with the passage of time, the giving of notice or both would constitute a default) and, after giving effect to the transactions contemplated by this Agreement, there will exist no default (or event which with the passage of time, the giving of notice or both would constitute a default) under the provisions of any instrument evidencing such Debt or of any agreement relating thereto.

8F. Title to Properties. Except as set forth on Schedule 8C, the Company has good, marketable and indefeasible title to its respective real properties, including without limitation the Mortgaged Property (other than properties which it leases), and good title to all of its other respective properties and assets, including without limitation the Collateral and the properties and assets reflected in the most recent balance sheet referred to in paragraph 8C (other than properties and assets disposed of in the ordinary course of business), subject to (i) no Lien of any kind except Liens permitted by paragraph 6B(1) and (ii) minor defects in title such as are customarily encountered in properties of like site and character and which do not impair the Company's use of such properties. All leases necessary in any material respect for the conduct of the respective businesses of the Company are valid and subsisting and are in full force and effect. Subject only to Permitted Encumbrances, the Mortgage and Security Agreement creates a legal, valid, perfected, first priority mortgage lien on and security interest in, in favor of the Collateral Agent, all of the assets and properties (whether real or personal) of the Company (other than the real property described on Schedule 3J and the property excluded from the legal description attached as Exhibit A to the Mortgage), including without limitation all patents, service marks, trademarks, trade names, copyrights, licenses, permits, franchises and certificates and other rights and privileges obtained or necessary for the use and operation of the Williams Station. None of the property set forth on Schedule 3J or Schedule 8C is necessary for the use, operation or maintenance of the Williams Station.

8G. Taxes. The Company has filed all federal, state and other income tax returns which, to the knowledge of the officers of the Company, are required to be filed, and has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles.

8H. Conflicting Agreements and Other Matters. The Company is not a party to any contract or agreement or subject to any charter or other corporate restriction which materially and adversely affects its business, property or assets, or financial condition. Neither the execution nor delivery of this Agreement, the Notes or any other Credit Document to which it is a party, nor the offering, issuance and sale of the Notes, nor fulfillment of nor compliance with the terms and provisions hereof, of the Notes or of any other Credit Document to which it is a party will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien (other than (i) the mortgage lien on and security interest in the Mortgaged Property in favor of the Collateral Agent pursuant to the Mortgage and (ii) the security interest in the Collateral in favor of the Collateral Agent pursuant to the Security Agreement) upon any of the properties or assets of the Company pursuant to, the charter or by-laws of the Company, any award of any arbitrator or any agreement (including any agreement with stockholders), instrument, order, judgment,

decree, statute, law, rule or regulation to which the Company is subject. The Company is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company, any agreement relating thereto or any other contract or agreement (including its charter) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Company of the type to be evidenced by the Notes except as set forth in the agreements listed in Schedule 8H attached hereto.

8I. Offering of Notes. Neither the Company nor any agent acting on its behalf has, directly or indirectly, offered the Notes or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than institutional investors, and neither the Company nor any agent acting on its behalf has taken or will take any action which would cause the provisions of section 5 of the Securities Act or any similar provisions or registration requirements of any securities or Blue Sky law of any applicable jurisdiction to apply to the issuance or sale of the Notes. Neither Prudential nor the Purchaser shall be considered an agent of the Company for purposes of this paragraph.

8J. Use of Proceeds. The Company does not have any present intention of acquiring any "margin stock" as defined in Regulation U (12 CFR Part 221) of the Board of Governors of the Federal Reserve System (herein called **"margin stock"**). The proceeds of sale of the Notes will be used to purchase and install pollution control equipment for the Williams Station, repay capital contributions and advances owed by the Company to SCANA and the Utility Money Pool and for general corporate purposes. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock or for the purpose of maintaining, reducing or retiring any Indebtedness which was originally incurred to purchase or carry any stock that is currently a margin stock or for any other purpose which might constitute the sale or purchase of any Notes a "purpose credit" within the meaning of such Regulation U. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement, the Notes or any other Transaction Document to which it is a party to violate Regulation T (assuming for the purposes hereof that the Purchaser is not (i) a broker or dealer (as defined in Section 3(a)(4) and 3(a)(5) of the Exchange Act), (ii) a member of a national securities exchange, or (iii) associated with a broker or dealer (as defined in Section 3(a)(18) of the Exchange Act) except for a business entity controlling or under common control with the Purchaser), Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Exchange Act, in each case as in effect now or as the same may hereafter be in effect. Neither the Company nor any of its Affiliates is a Person described in Section 1 of the Anti-Terrorism Order and none of the proceeds from the issuance of the Notes will, directly or indirectly, be transferred to or used for the benefit of any such Person.

8K. ERISA. As of December 31, 2007, no accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, existed with respect to any Plan (other than a Multiemployer Plan). As of the Date of Closing, the minimum funding standards of Section 302 of ERISA and Section 412 of the Code have been satisfied with respect to any Plan (other than a Multiemployer Plan). No liability to the Pension Benefit Guaranty Corporation has been or is expected by the Company or any ERISA Affiliate to be incurred with respect to any Plan (other than a Multiemployer Plan) by the Company or any

ERISA Affiliate which is or would be materially adverse to the business, condition (financial or otherwise) or operations of the Company. Neither the Company nor any ERISA Affiliate has incurred or presently expects to incur any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is or would be materially adverse to the business, condition (financial or otherwise) or operations of the Company. The execution and delivery of this Agreement and the issuance and sale of the Notes will be exempt from, or will not involve any transaction which is subject to, the prohibitions of section 406(a) of ERISA and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA by reason of section 406(a) of ERISA or a tax could be imposed pursuant to section 4975 of the Code by reason of section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of the Purchaser's representation in paragraph 9B and, with respect to the sources of funds described in paragraph 9B(c), (d), (e) or (g), is conditioned on the Company's receipt of accurate employee benefit plan information from the Purchaser.

8L. Governmental and Other Third Party Consent. Neither the nature of the Company, nor any of its businesses or properties, nor any relationship between the Company and any other Person, nor any circumstance in connection with the offering, issuance, sale or delivery of the Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the applicable Date of Closing with the Securities and Exchange Commission and/or state Blue Sky authorities) or any other Person in connection with the execution and delivery of this Agreement or any other Credit Document, the offering, issuance, sale or delivery of the Notes or fulfillment of or compliance with the terms and provisions hereof, of the Notes or of any other Credit Document, other than the recordation of the Mortgage in the Office of the Register of Deeds for Berkeley County, South Carolina and the filing of financing statements in the office of the Register of Deeds for Berkeley County and with the Secretary of State of South Carolina listing the Collateral Agent as secured party and the Company as debtor and the following orders that have been obtained, are in full force and effect, and for which the time to appeal therefrom has expired, except with respect to Order No. 2008-385 of the SCPSC dated May 20, 2008 in Docket No. 2008-161-E, the time for which appeal expires on May 30, 2008, and no appeal of, or petition to rehear, such Order has been filed, (i) Order No. 2008-385 of the SCPSC dated May 20, 2008 in Docket No. 2008-161-E, (ii) SCPSC Order No. 2003-740, dated December 22, 2003, Docket No. 2003-355-E, (iii) SCPSC Order No. 2004-392, dated October 11, 2004, Docket No. 2003-355-E, (iv) SCPSC Order No. E-1, 063, dated April 29, 1970, Docket No. 14-996, (v) the Order of the SCPSC dated July 29, 1992 in Docket No. 92-391-E, (vi) the Order of the SCPSC dated November 27, 1984 in Docket No. 84-388-E, (vii) the Order of the SCPSC dated January 22, 1986 in Docket No. 86-31-E, (viii) the Order of the FERC issued December 28, 1984 in South Carolina Electric & Gas Company, 29 FERC ¶ 61,350, (ix) the Order of the FERC issued February 20, 1986 in South Carolina Generating Company, Inc., 34 FERC ¶ 63,074, (x) the Order of the FERC issued July 31, 1987 in South Carolina Generating Company, Inc., 40 FERC ¶ 61,116, (xi) the Order of the FERC issued May 4, 1988 in South Carolina Generating Company, Inc., 43 FERC ¶ 61,217, and (xii) the Order of the FERC issued July 5, 1988 in South Carolina Generating Company, Inc., 44 FERC ¶ 61,008. The Company has delivered to Prudential true and complete copies of each of the orders referred to in clauses (i) through (xii).

8M. Compliance With Laws. Except to the extent disclosed on SCANA's (i) Annual Report on Form 10-K for its fiscal year ended December 31, 2007 and (ii) Quarterly Report on Form 10-Q for its fiscal quarter ended March 31, 2008 (none of which the Company believes will, whether considered individually or in the aggregate, result in a material adverse effect on the business, condition (financial or otherwise) or operations of the Company):

(a) The Company is in compliance in all respects with all applicable laws and regulations, including, without limitation, those relating to equal employment opportunity, employee safety, consumer protection and the environment, except where the failure to do so would not be reasonably expected to, whether considered individually or in the aggregate, result in a material adverse effect on the business, condition (financial or otherwise) or operations of the Company.

(b) Without limiting the foregoing clause (a), the Company, its Affiliates and all of their respective properties and facilities have complied at all times and in all respects with all Environmental Laws except, in any such case, where failure to comply would not be reasonably expected to result in a material adverse effect on the business, condition (financial or otherwise) or operations of the Company and its Affiliates taken as a whole.

8N. Disclosure. Neither this Agreement nor any other document, certificate or statement furnished to Prudential by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact peculiar to the Company which materially adversely affects or in the future may (so far as the Company can now foresee) materially adversely affect the business, property or assets, or financial condition of the Company and which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to Prudential by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

8O. Section 144A. The Notes are not of the same class as securities, if any, of the Company listed on a national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.

8P. Permits and Other Operating Rights. The Company has all such valid and sufficient franchises, licenses, permits, operating rights, certificates of convenience and necessity, other authorizations from Federal, state, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company or any of the Company's properties, easements and rights-of-way as are necessary for the ownership, operation and maintenance of its business and properties, subject to minor exceptions and deficiencies which do not materially affect its business and operations considered as a whole or any material part thereof, and such franchises, licenses, permits, operating rights, certificates of convenience and necessity, other authorizations from Federal, state, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company or any of the Company's properties, easements and rights-of-way are listed on Schedule 8P attached hereto and are free from burdensome restrictions or conditions of an unusual character in the utility business or restrictions or

conditions materially adverse to the business or operations of the Company, and the Company is not in violation thereof in any material respect.

8Q. Sales Agreement and Operating Agreement. The Company has delivered to Prudential prior to the date hereof a true, correct and complete copy of the Sales Agreement and Operating Agreement, as in effect on the date hereof, neither of which has been amended or otherwise modified and no waiver has been given with respect thereto. Each of the Sales Agreement and Operating Agreement has been duly authorized, executed and delivered by, and are the legal, valid and binding obligations of, each party thereto, and are in full force and effect. No party to either of the Sales Agreement or the Operating Agreement is in default thereunder, nor is there any claim of such default.

8R. Subsidiaries. The Company has no Subsidiaries.

8S. Agreements. All agreements which are material to the operation and safety of the Williams Station are listed on Schedule 8S attached hereto. Each such agreement is in full force and effect and no party thereto has given notice of such party's intention to terminate or amend any such agreement. The Company has no knowledge that any party to any such agreement will not be able to carry out its obligations in accordance therewith. SCE&G has not prepaid any amount under the Sales Agreement for any future month.

8T. Patents and other Rights. The Company possesses or has the right to use in the operation of the Williams Station all patents, patent rights or licenses, trademark rights, trade name rights, copyrights and other proprietary rights which are required in order to operate the Williams Station or conduct its business and such rights shall be available to the holders of the Notes in the event of the occurrence of an Event of Default on the same terms and conditions as those available to the Company prior to such occurrence. No agreement relating to such rights is in default.

8U. Regulatory Status of Company; Trust Indenture Act. The Company is not an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended. The Company is an "electric utility" under South Carolina law which is subject to the jurisdiction of the SCPSC (but only with respect to the building of additional generating units and the issuance of further securities as provided in the SCPSC order referred to in paragraph 8L(iv)). The Company has no retail tariffs or customers subject to the jurisdiction of the SCPSC. The Company is not subject to regulation as an "electric utility" under the law of any other state or subject to the jurisdiction of any commission or regulatory authority or Person in any other state. The Company is a "public utility" within the meaning of the Federal Power Act, as amended, and its wholesale rates with respect to the transmission of electricity are subject to the jurisdiction of the FERC. Solely as a result of purchasing the Notes and entering into the transactions contemplated by the other Transaction Documents, the Purchaser (i) will not be (a) a "public utility, a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" within the meaning of the Energy Policy Act of 2005, as amended, (b) a "public utility" within the meaning of the Federal Power Act, as amended, or (c) a "public utility" or an "electric utility" under South Carolina law or the law of any other state or (ii) subject to the jurisdiction of the FERC, the SCPSC or any other commission or Person in any other state, provided that the

foregoing does not apply to the Purchaser should the Purchaser, through the exercise of remedies, operate, own or possess the Mortgaged Property. The Security Agreement or Mortgage is not required to be qualified under the Trust Indenture Act of 1939, as amended, and the creation of the Liens in the Collateral and Mortgaged Property in favor of the Collateral Agent under the Security Agreement and Mortgage does not require an indenture to be qualified under said Act. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of the Purchaser's representation in paragraph 9.

9. REPRESENTATIONS OF THE PURCHASER. The Purchaser represents, (i) as of the Series 2008-A Date of Closing, with respect to the Series 2008-A Notes and (ii) as of the Series 2008-B Date of Closing, with respect to the Series 2008-B Notes, as follows:

9A. Nature of Purchase. The Purchaser is not acquiring the Notes to be purchased by it hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of the Purchaser's property shall at all times be and remain within its control. The Purchaser represents that it is an "accredited investor" within the meaning of Rule 501 promulgated under the Securities Act. The Purchaser acknowledges that the Notes purchased by it have not been registered under the Securities Act or any state securities law and therefore cannot be resold unless such Notes are registered under the Securities Act and applicable state securities laws or an exemption from registration is available thereto, and covenants not to sell or otherwise transfer such Notes without an appropriate legend regarding registration and limitations on resales in substantially the form set forth below:

> **THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND CANNOT BE RESOLD UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE THERETO.**

9B. Source of Funds. At least one of the following statements is an accurate representation as to each source of funds (a **"Source"**) to be used by the Purchaser to pay the purchase price of the Notes to be purchased by the Purchaser hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in PTE 95-60 (issued July 12, 1995)) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the **"NAIC Annual Statement"**)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with the Purchaser's state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with the Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990), or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as disclosed by the Purchaser to the Company in writing pursuant to this paragraph (c) reasonably in advance of the applicable Date of Closing, no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (d) reasonably in advance of the applicable Date of Closing; or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Section IV of PTE 96-23 (the **"INHAM Exemption"**)) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Section IV(h) of the INHAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this paragraph (e) reasonably in advance of the applicable Date of Closing; or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been

identified to the Company in writing pursuant to this paragraph (g) reasonably in advance of the applicable Date of Closing; or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this paragraph 9B, the terms **"employee benefit plan"**, **"governmental plan"**, and **"separate account"** shall have the respective meanings assigned to such terms in Section 3 of ERISA.

10. DEFINITIONS. For the purpose of this Agreement, the terms defined in the introductory sentence and in paragraphs 1 and 2 shall have the respective meanings specified therein, and the following terms shall have the meanings specified with respect thereto below:

10A. Yield-Maintenance Terms.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the same periodic basis on which interest on such Note is payable, if payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal for the most recent actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date on the display designated as "Page PX1" on Bloomberg Financial Markets (or such other display as may replace Page PX1 on Bloomberg Financial Markets or, if Bloomberg Financial Markets shall cease to report such yields or shall cease to be the customary source of information for calculating yield-maintenance amounts on privately placed notes, then such source as is then the customary source of such information), or (ii) if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable (including by way of interpolation), the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. In the case of each determination under clause (i) or (ii) of the preceding

sentence, such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to that number of decimal places as appears in the coupon of the applicable Note.

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Yield-Maintenance Amount" shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

10B. Other Terms.

"Affiliate" shall mean (i) with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such first Person, and (ii) with respect to Prudential, shall include any managed account, investment fund or other vehicle for which Prudential or any Affiliate of Prudential acts as investment advisor or portfolio manager. A Person shall be deemed to control a corporation or other entity if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or entity, whether through the ownership of voting securities, by contract or otherwise.

"Amendment No. 1 to Collateral Agency Agreement" shall have the meaning specified in paragraph 3R.

"Amendment No. 1 to Security Agreement" shall have the meaning specified in paragraph 3I.

"Anti-Terrorism Order" means Executive Order No. 13,224, 66 Fed. Reg. 49,079 (2001) issued by the President of the U.S. (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism).

"Bankruptcy Law" shall have the meaning specified in clause (viii) of paragraph 7A.

"CAA" shall mean the Clean Air Act, 42 U.S.C. §§ 7401 et seq., as amended.

"Cancellation Date" shall have the meaning specified in paragraph 4F(3) hereof.

"Cancellation Fee" shall have the meaning specified in paragraph 4F(3) hereof.

"Capitalized Lease Obligation" shall mean any rental obligation which, under generally accepted accounting principles, would be required to be capitalized on the books of a Person, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"Closing" shall have the meaning specified in paragraph 2.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Collateral" shall have the meaning set forth for such term in the Security Agreement.

"Collateral Agency Agreement" shall mean that certain Collateral Agency Agreement dated as of February 11, 2004, among the holders of the 1992 Notes, the holders of the 2004 Notes, the Collateral Agent and the Company, as amended by Amendment No. 1 to Collateral Agency Agreement and as the same may be further amended, modified or supplemented from time to time in accordance with the provisions thereof.

"Collateral Agent" shall mean The Bank of New York Trust Company, N.A., in its capacity as collateral agent under the Collateral Agency Agreement, and its successors and assigns in that capacity.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended.

"Credit Document" shall mean each Transaction Document, the Sales Agreement and the Operating Agreement.

"Credit Party" shall mean each of the Company, SCANA and SCE&G.

"Date of Closing" shall have the meaning specified in paragraph 2.

"Debt" shall mean and include without duplication the following:

(i) any obligation for borrowed money regardless of its term (and any notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money) or for the deferred purchase price (excluding any deferred purchase price that constitutes a trade account payable incurred in the ordinary course) of property or services,

(ii) any obligation evidenced by any bond, note, debenture, convertible debenture or other similar instrument,

(iii) any obligation created or arising under any conditional sale or other title retention agreement,

(iv) any sale (other than a transaction which is recorded as a true sale in accordance with generally accepted accounting principles consistently applied), assignment or transfer with or without recourse, at discount or for less than face value of any notes receivable, accounts receivable, lease receivable, lease, installment sale agreement or similar contract rights, and

(v) any other obligation which under generally accepted accounting principles is shown on the balance sheet as debt (including Capitalized Lease Obligations).

"Delayed Delivery Fee" shall have the meaning specified in paragraph 4F(2) hereof.

"Electronic Delivery" shall have the meaning specified in paragraph 5A(i) hereof.

"Environmental Event" shall mean the disposal, release, threatened release or presence of Hazardous Substances on, over, under, from or affecting the Mortgaged Property in violation of any Environmental Laws that requires reporting or notification to any Person or remediation or both.

"Environmental Laws" shall mean all federal, state, local and regional statutes, laws, ordinances and judicial or administrative orders, judgments, rulings and regulations relating to protection of the environment.

"Equity" shall mean at any time the sum of (i) the par value (or value stated on the books of the Company) of the capital stock of all classes of the Company at such time, plus (or minus in the case of a surplus deficit) (ii) the amount of the surplus, whether capital or earned, of the Company at such time.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean any corporation which is a member of the same controlled group of corporations as the Company within the meaning of section 414(b) of the Code, or any trade or business which is under common control with the Company within the meaning of section 414(c) of the Code.

"Event of Default" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "Default" shall mean any of such events, whether or not any such requirement has been satisfied.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"FERC" shall mean the Federal Energy Regulatory Commission.

"Guarantee" shall mean, with respect to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any indebtedness, lease, dividend or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including, without limitation, any such obligation in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation, or to make payment for any products, materials or supplies or for any transportation or services regardless of the non-delivery or non-furnishing thereof, in any such case if the purpose or intent of such agreement is to provide assurance that such obligation will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected against loss in respect thereof. The amount of any Guarantee shall be equal to the outstanding principal amount of the obligation guaranteed or such lesser amount to which the maximum exposure of the guarantor shall have been specifically limited.

"Hazardous Substances" shall mean any hazardous wastes, hazardous substances, hazardous materials, toxic substances or toxic pollutants, as those terms are used or defined in RCRA, CERCLA, the Hazardous Materials Transportation Act (49 App. U.S.C. § 1801 et seq.), the Toxic Substance Control Act (15 U.S.C. §§ 2601 et seq.), the CAA and the Clean Water Act (33 U.S.C. §§ 1251 et seq.), and all regulations and rules promulgated thereunder, each as amended from time to time.

"Hedge Treasury Note(s)" shall mean, with respect to the Series 2008-B Notes, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of the Series 2008-B Notes.

"Indebtedness" shall mean, with respect to any Person, without duplication, (i) all items (excluding items of contingency reserves or of reserves for deferred income taxes) which in accordance with generally accepted accounting principles would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person as of the date on which Indebtedness is to be determined, (ii) all indebtedness secured by any Lien on any property or asset owned or held by such Person subject thereto, whether or not the indebtedness secured thereby shall have been assumed, and (iii) all indebtedness of others with respect to which such Person has become liable by way of a Guarantee.

"Indemnity Agreement" shall have the meaning specified in paragraph 3O.

"Inducement Letter" shall have the meaning specified in paragraph 3Q.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien (statutory or otherwise) or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction) or any other type of preferential arrangement for the purpose, or having the effect, of protecting a creditor against loss or securing the payment or performance of an obligation.

"Mortgage" shall have the meaning specified in paragraph 3H.

"Mortgaged Property" shall have the meaning set forth for such term in the Mortgage.

"Multiemployer Plan" shall mean any Plan which is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"**1992 Indemnity Agreement**" shall mean the "Indemnity Agreement", as defined in the 1992 Note Agreement.

"**1992 Inducement Letter**" shall mean the "Inducement Letter", as defined in the 1992 Note Agreement.

"**1992 Note Agreement**" shall mean that certain Note Agreement dated as of August 21, 1992 by and between the Company and The Prudential Insurance Company of America, as amended from time to time.

"1992 Notes" shall mean the "Notes", as defined in the 1992 Note Agreement.

"**1992 Subordination Agreement**" shall mean the "Subordination Agreement", as defined in the 1992 Note Agreement.

"Officer's Certificate" shall mean a certificate signed in the name of a corporation by its President, one of its Vice Presidents, its Controller or its Treasurer.

"Operating Agreement" shall mean the Operating Agreement, dated December 18, 1984, by and between SCE&G and the Company.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization and a government or any department or agency thereof.

"Plan" shall mean any "employee pension benefit plan" (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or any ERISA Affiliate.

"Permitted Encumbrances" shall have the meaning set forth for such term in the Mortgage.

"Pollution Control Bonds" shall mean unsecured Debt owed by the Company under a loan agreement with South Carolina Jobs-Economic Development Authority, which loan agreement shall have commercial terms that are substantially the same in all material respects as the commercial terms contained in the Loan Agreement, dated August 15, 2003, between the Company and Berkeley County, South Carolina, the proceeds of which are used to fund the costs of the purchase and installation of pollution control equipment for the Williams Station.

"Prudential" shall mean Prudential Investment Management, Inc.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq, as amended.

"Required Holder(s)" shall mean the holder or holders of at least 51% of the aggregate principal amount of the Notes from time to time outstanding.

"Rescheduled Closing Date" shall have the meaning given in paragraph 4F(1) hereof.

"Responsible Officer" shall mean the chief executive officer, chief operating officer, chief financial officer or chief accounting officer of a corporation or any other officer of a corporation involved principally in its financial administration or its controllership function.

"Sales Agreement" shall mean the Unit Power Sales Agreement, dated December 18, 1984, by and between SCE&G and the Company.

"SCANA" shall mean SCANA Corporation, a South Carolina corporation, and its successors and assigns.

"SCANA Services" shall mean SCANA Services, Inc., a South Carolina corporation.

"SCE&G" shall mean South Carolina Electric & Gas Company, a South Carolina corporation, and its successors and assigns.

"SCPSC" shall mean the South Carolina Public Service Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Security Agreement" shall mean that certain Amended and Restated Security Agreement dated as of February 11, 2004, between the Company and the Collateral Agent, as amended by Amendment No. 1 to Security Agreement.

"Series" shall mean each of the Series 2008-A Notes and the Series 2008-B Notes.

"Series 2008-A Closing" shall have the meaning specified in paragraph 2.

"Series 2008-A Date of Closing" shall have the meaning specified in paragraph 2.

"Series 2008-A Notes" shall have the meaning specified in paragraph 1.

"Series 2008-B Closing" shall have the meaning specified in paragraph 2.

"Series 2008-B Date of Closing" shall have the meaning specified in paragraph 2.

"Series 2008-B Notes" shall have the meaning specified in paragraph 1.

"Significant Holder" shall mean (i) the Purchaser or any of its Affiliates, so long as the Purchaser or any such Affiliate shall hold (or be committed under this Agreement to purchase) any Note, or (ii) any other holder of at least 5% of the aggregate principal amount of the Notes of any Series from time to time outstanding.

"Significant Subsidiary" of any corporation shall mean a Subsidiary of such corporation meeting any of the following requirements: (i) such corporation's and its other Subsidiaries' investments in and advances to such Subsidiary exceed 10 percent of total consolidated assets of such corporation and its Subsidiaries as of the end of the most recently completed fiscal year; or (ii) such corporation's and its other Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of such Subsidiary exceeds 10 percent of the total assets of such corporation's and its Subsidiaries' consolidated assets as of the end of the most recently completed fiscal year; or (iii) such corporation's and its other Subsidiaries' equity in the income from continuing operations, before income taxes, extraordinary items and cumulative effect of a change in accounting principles, of such Subsidiary exceeds 10 percent of consolidated income of such corporation and its Subsidiaries for the most recently completed fiscal year, provided that the Gas Corporation (as defined in the Inducement Letter) shall be a Significant Subsidiary of SCANA at all times.

"Subordination Agreement" shall have the meaning specified in paragraph 3P.

"Subsidiary" of any corporation shall mean any other corporation at least 51% of the total combined voting power of all classes of Voting Stock of which shall, at the time as of which any determination is being made, be owned by such first corporation either directly or through Subsidiaries.

"SVO" shall mean the Securities Valuation Office of the National Association of Insurance Commissioners or any successor to such Office.

"**2004 Indemnity Agreement**" shall mean the "Indemnity Agreement", as defined in the 2004 Note Agreement.

"**2004 Inducement Letter**" shall mean the "Inducement Letter", as defined in the 2004 Note Agreement.

"**2004 Note Agreement**" shall mean that certain Note Agreement dated as of February 11, 2004 made by the Company with the purchasers named on the purchaser schedule thereto, as amended from time to time.

"2004 Notes" shall mean the "Notes", as defined in the 2004 Note Agreement.

"**2004 Subordination Agreement**" shall mean the "Subordination Agreement", as defined in the 2004 Note Agreement.

"2008 SCANA Guarantee" shall have the meaning specified in paragraph 3L.

"Total Capital" shall mean, as at any date, the sum of (i) the aggregate outstanding amount of Debt of the Company and (ii) Equity.

"Transaction Documents" shall mean this Agreement, the Notes, the Mortgage, the Security Agreement, the 2008 SCANA Guarantee, the Subordination Agreement, the Indemnity Agreement and the Inducement Letter.

"Transferee" shall mean any direct or indirect transferee of all or any part of any Note purchased by the Purchaser under this Agreement.

"**Utility Money Pool**" shall mean the "Utility Money Pool" as defined in the Utility Money Pool Agreement dated as of January 3, 2006 among SCANA, SCANA Services, Inc. and the utility subsidiaries of SCANA which are parties thereto, as such agreement may be amended, supplemented or modified from time to time.

"Voting Stock" shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"Williams Station" shall mean the Arthur M. Williams electric generating plant located in Bushy Park, Berkeley County, South Carolina.

10C. Accounting Principles, Terms and Determinations. All references in this Agreement to "generally accepted accounting principles" shall be deemed to refer to generally accepted accounting principles in effect in the United States at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all unaudited financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with the accounting requirements of FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, applied on a basis consistent (except as expressly set forth therein) with the most recent audited financial statements of the Company delivered pursuant to clause (ii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8C.

11. MISCELLANEOUS.

11A. Note Payments. The Company agrees that, so long as the Purchaser shall hold any Note, it will make payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to such Note, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit (not later than 2:00 p.m., New York City time, on the date due) to the Purchaser's account or accounts as specified in the Purchaser Schedule attached hereto, or such other account or accounts in the United States as such Purchaser may designate in writing, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. The Purchaser agrees that, before disposing of any Note, the Purchaser will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as the Purchaser has made in this paragraph 11A.

11B. Expenses. The Company agrees, whether or not the transactions contemplated hereby shall be consummated, to pay, and save the Purchaser and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with such transactions, including (i) all document production and duplication charges and the reasonable fees and expenses of any special counsel and environmental consultant or engineer engaged by such the Collateral Agent or the Required Holder(s) in connection with this Agreement, any other Transaction Document or any agreement contemplated by paragraph 6B(2)(iii)(d), the transactions contemplated hereby (including without limitation all recording charges, filing fees and other costs incurred in order to create or perfect, or maintain the creation or perfection of, the mortgage lien and security interests intended to be created by the Mortgage and Security Agreement) and any subsequent proposed modification of, amendment to, or proposed consent under, this Agreement or any other Transaction Document, whether or not such proposed modification shall be effected or proposed consent granted, (ii) the costs and expenses, including attorneys' and consultants' fees and expenses, incurred by the Purchaser or such Transferee in enforcing (or determining whether or how to enforce or cause the Collateral Agent to enforce) any rights under this Agreement, the Notes or any other Transaction Document or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or by reason of the Purchaser's or such Transferee's having acquired any Note, including without limitation costs and expenses incurred in any bankruptcy case and (iii) costs of obtaining a private placement number from Standard and Poor's Ratings Group for the Notes. The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein by the Purchaser or any Transferee and the payment of any Note.

11C. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) except that (i) without the written consent of the holder or holders of all Notes at the time outstanding, all or substantially all of the Mortgaged Property or Collateral shall not be released from the mortgage lien and security interest in favor of the Collateral Agent, no amendment to this Agreement shall change the maturity of any Note,

or change the principal of, or the rate or time of payment of interest on or any Yield-Maintenance Amount payable with respect to any Note, or affect the time, amount or allocation of any prepayments, or change the proportion of the principal amount of the Notes required with respect to any consent, amendment, waiver or declaration and (ii) without the written consent of all of the Purchaser which shall have agreed to purchase Notes of any Series, none of the provisions of paragraphs 3 may be amended or waived insofar as such amendment or waiver would affect the rights or obligations with respect to the purchase and sale of the Notes of such Series or the terms and provisions of such Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. Form, Registration, Transfer and Exchange of Notes; Lost Notes. The Notes are issuable as registered notes without coupons in denominations of at least $100,000, except as may be necessary to reflect any principal amount not evenly divisible by $100,000. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement, or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. Persons Deemed Owners; Participations. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of, interest on and any Yield-Maintenance Amount payable with respect to such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the holder of any Note may from time to time grant participations in such Note to any Person on such terms and

conditions as may be determined by such holder in its sole and absolute discretion, provided that any such participation shall be in a principal amount of at least $100,000.

11F. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by the Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of the Purchaser or any Transferee. Subject to the preceding sentence, this Agreement, the Notes and the other Transaction Documents to which it is a party embody the entire agreement and understanding between the Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

11G. Successors and Assigns. All covenants and other agreements in this Agreement contained by or on behalf of either of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not; provided, that, the Purchaser of the Series 2008-B Notes shall not assign its rights and obligations with respect to its purchase of the Series 2008-B Notes if such assignment would cause such a change to any letter previously distributed by the Purchaser to the Company under paragraph 9B so as to cause the Company to be unable to make the representation contained in the last sentence of paragraph 8K (it being acknowledged that such assignee may otherwise deliver a letter or new letter pursuant to paragraph 9B with respect to the source of funds to be used by such assignee to purchase the 2008 Series-B Notes).

11H. Independence of Covenants. All covenants hereunder and in the other Transaction Documents shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not (i) avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists or (ii) in any way prejudice an attempt by the holder of any Note to prohibit through equitable action or otherwise the taking of any action by the Company which would result in a Default or Event of Default.

11I. Confidential Information. For the purposes of this paragraph 11I, "Confidential Information" means information delivered to the Purchaser by or on behalf of the Company in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by the Purchaser as being confidential information of the Company, provided that such term does not include information that (a) was publicly known or otherwise known to the Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by the Purchaser or any person acting on the Purchaser's behalf, (c) otherwise becomes known to the Purchaser other than through disclosure by the Company or (d) constitutes financial statements delivered to the Purchaser under paragraph 5A that are otherwise publicly available. The Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by the Purchaser in good faith to protect confidential information of third parties delivered to the Purchaser, provided that the Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys,

trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this paragraph 11I, (iii) any other holder of any Note, (iv) any Person to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 11I), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 11I), (vi) any federal or state regulatory authority having jurisdiction over the Purchaser, (vii) the National Association of Insurance Commissioners or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about the Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to the Purchaser (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure), (x) in response to any subpoena or other legal process (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure), (y) in connection with any litigation to which the Purchaser is a party (provided that, if not prohibited by applicable law and neither the Company nor any of its Affiliates are involved in such litigation, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure) or (z) if an Event of Default has occurred and is continuing, to the extent the Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the Purchaser's Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this paragraph 11I as though it were a party to this Agreement.

11J. Notices. All written communications provided for hereunder shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to Prudential or the Purchaser, addressed to Prudential or the Purchaser at the address specified for such communications in the Purchaser Schedule attached hereto, or at such other address as Prudential or the Purchaser shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the Company, and (iii) if to the Company, addressed to it at 1426 Main Street, Columbia, South Carolina 29201, Attention: Corporate Treasurer, with a copy to the Corporate Secretary, or at such other address as the Company shall have specified to the holder of each Note in writing; provided, however, that any such communication to the Company may also, at the option of the holder of any Note, be delivered by any other means either to the Company at its address specified above or to any officer of the Company. Any such communications which satisfy the foregoing provisions of this paragraph 11J shall be deemed to have been given for purposes hereof when actually received, or on the 5th Business Day after deposit in the United States mail in the case of communication by first class mail, or, on the 1st Business Day after deposit with a nationwide overnight delivery service in the case of communication by nationwide overnight delivery service.

11K. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Yield-Maintenance Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day. If the date for payment is extended to the next succeeding Business Day by reason of the preceding sentence, the period of such extension shall be included in the computation of the interest payable on such Business Day.

11L. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement or any other Transaction Document required to be satisfactory to the Purchaser or to the Required Holder(s), the determination of such satisfaction shall be made by the Purchaser or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11M. Governing Law; Consent to Jurisdiction. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the state of New York or any court of the United States of America located in the state of New York, and, by execution and delivery of this Agreement, the Company accepts for itself, generally and unconditionally, the jurisdiction of the above-mentioned court and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or later have based on venue or forum non conveniens with respect to any action instituted therein.

11N. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11O. Descriptive Headings; Interpretation. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. No provision of this Agreement or any other Transaction Document shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, drafted or dictated such provision.

11P. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

11Q. Transaction References. The Company agrees that Prudential Capital Group may (a) refer to its role in originating the purchase of the Notes from the Company, as well as the identity of the Company and the aggregate principal amount and issue date of the Notes, on its internet site or in marketing materials, press releases, published "tombstone" announcements or

any other print or electronic medium and (b) display the Company's corporate logo in conjunction with any such reference.

[Signature Pages to Follow]

When this Agreement is executed and delivered by the Company and the Purchaser it shall become a binding agreement between the Company and the Purchaser.

Very truly yours,

SOUTH CAROLINA GENERATING COMPANY, INC.

By: _____

Title: Treasurer

The foregoing Agreement is hereby
accepted as of the date first above written

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Vice President

PURCHASER SCHEDULE

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

Address for all other communications and notices:

Prudential Investment Management, Inc.
c/o Prudential Capital Group
2200 Ross Avenue, Suite 4200E
Dallas, Texas 75201

Attention: Managing Director

PURCHASER SCHEDULE

	Aggregate Principal Amount of Series 2008-A Notes to be Purchased	Series 2008-A Note Denomination(s)	Aggregate Principal Amount of Series 2008-B Notes to be Purchased	Series 2008-B Note Denomination(s)
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	$80,000,000	$80,000,000	$80,000,000	$80,000,000

(1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account Name: Prudential Managed Portfolio
Account No.: P86188 (please do not include spaces)

JPMorgan Chase Bank
New York, NY
ABA No.: 021-000-021

Each such wire transfer shall set forth the name of the Company, a reference to "6.06% Senior Secured Notes due 2018, Security No. INV04283, PPN _____ (Series 2008-A Notes) or PPN ____ (Series 2008-B Notes), as applicable" and the due date and application (as among principal, interest and Make-Whole Amount) of the payment being made.

(2) Address for all notices relating to payments:

The Prudential Insurance Company of America
c/o Investment Operations Group
Gateway Center Two, 10th Floor

100 Mulberry Street
Newark, NJ 07102-4077
Attention: Manager, Billings and Collections

(3) Address for all other communications and notices:

The Prudential Insurance Company of America
c/o Prudential Capital Group
2200 Ross Avenue, Suite 4200E
Dallas, TX 75201

Attention: Managing Director

(4) Recipient of telephonic prepayment notices:

Manager, Trade Management Group

Telephone: (973) 367-3141
Facsimile: (888) 889-3832

(5) Address for Delivery of Notes:

Send physical security by nationwide overnight delivery service to:

Prudential Capital Group
2200 Ross Avenue, Suite 4200E
Dallas, TX 75201

Attention: William H. Bulmer
Telephone: (214) 720-6204

(6) [redacted]

EXHIBIT A-1

[FORM OF SERIES 2008-A NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND CANNOT BE RESOLD UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE THERETO.

SOUTH CAROLINA GENERATING COMPANY, INC.

6.06% SERIES 2008-A SENIOR SECURED NOTE DUE JUNE 1, 2018

No. _____ [Date]
$ _____

FOR VALUE RECEIVED, the undersigned, South Carolina Generating Company, Inc. (herein called the **"Company"**), a corporation organized and existing under the laws of the State of South Carolina, hereby promises to pay to _____ or registered assigns, the principal sum of _____DOLLARS on June 1, 2018, with interest (computed on the basis of a 360-day year--30-day month) (a) on the unpaid balance thereof at the rate of 6.06% per annum from the date hereof, payable quarterly in arrears on the 1st day of March, June, September and December in each year, commencing on September 1, 2008, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest (to the extent permitted by applicable law) and any overdue payment of any Yield-Maintenance Amount (as defined in the Note Agreement referred to below), payable on demand at a rate per annum from time to time equal to the greater of (i) 8.06% or (ii) 2.0% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Note are to be made at the designated office of JPMorgan Chase Bank, National Association in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Series 2008-A Senior Secured Notes (herein called the **"Notes"**) issued pursuant to a Note Agreement, dated as of May 30, 2008 (herein called the **"Agreement"**), between the Company and the original purchasers of the Notes named in the Purchaser Schedule attached thereto and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized

in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is secured by certain of the properties and assets of the Company pursuant to the Mortgage, as defined in the Agreement, and the Security Agreement, as defined in the Agreement.

The obligation of the Company under this Note is guaranteed by SCANA Corporation pursuant to the Guarantee Agreement, dated as of May 30, 2008, by SCANA Corporation.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

The Company agrees to pay, and save the Holder hereof harmless against, any cost or liability for expenses, including attorneys, fees, arising in connection with the enforcement by the Holder hereof of any of its rights under or related to this Note, the Agreement and any other Transaction Document (as defined in the Agreement).

The Company expressly waives, as and to the extent provided in the Agreement, any presentment, demand, protest or notice in connection with this Note.

This Note is intended to be performed in the State of New York and shall be construed and enforced in accordance with the law of such State.

SOUTH CAROLINA GENERATING COMPANY, INC.

By: _____

Title: _____

EXHIBIT A-2

[FORM OF SERIES 2008-B NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND CANNOT BE RESOLD UNLESS THIS NOTE IS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE THERETO.

SOUTH CAROLINA GENERATING COMPANY, INC.

6.06% SERIES 2008-B SENIOR SECURED NOTE DUE JUNE 1, 2018

No. _____ [Date]
$ _____

FOR VALUE RECEIVED, the undersigned, South Carolina Generating Company, Inc. (herein called the **"Company"**), a corporation organized and existing under the laws of the State of South Carolina, hereby promises to pay to _____ or registered assigns, the principal sum of _____DOLLARS on June 1, 2018, with interest (computed on the basis of a 360-day year--30-day month) (a) on the unpaid balance thereof at the rate of 6.06% per annum from the date hereof, payable quarterly in arrears on the 1st day of March, June, September and December in each year, commencing with the 1st day of March, June, September or December next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest (to the extent permitted by applicable law) and any overdue payment of any Yield-Maintenance Amount (as defined in the Note Agreement referred to below), payable on demand at a rate per annum from time to time equal to the greater of (i) 8.06% or (ii) 2.0% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Note are to be made at the designated office of JPMorgan Chase Bank, National Association in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Series 2008-B Senior Secured Notes (herein called the **"Notes"**) issued pursuant to a Note Agreement, dated as of May 30, 2008 (herein called the **"Agreement"**), between the Company and the original purchasers of the Notes named in the Purchaser Schedule attached thereto and is entitled to the benefits thereof.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of

transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is secured by certain of the properties and assets of the Company pursuant to the Mortgage, as defined in the Agreement, and the Security Agreement, as defined in the Agreement.

The obligation of the Company under this Note is guaranteed by SCANA Corporation pursuant to the Guarantee Agreement, dated as of May 30, 2008, by SCANA Corporation.

This Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

The Company agrees to pay, and save the Holder hereof harmless against, any cost or liability for expenses, including attorneys, fees, arising in connection with the enforcement by the Holder hereof of any of its rights under or related to this Note, the Agreement and any other Transaction Document (as defined in the Agreement).

The Company expressly waives, as and to the extent provided in the Agreement, any presentment, demand, protest or notice in connection with this Note.

This Note is intended to be performed in the State of New York and shall be construed and enforced in accordance with the law of such State.

SOUTH CAROLINA GENERATING COMPANY, INC.

By: _____

Title: _____

EXHIBIT B

FORM OF OPINION OF COMPANY'S COUNSEL

[See Attached]

Francis P. Mood
Senior Vice President
General Counsel and Assistant Secretary

May 30, 2008

The Prudential Insurance Company
of America (the "Purchaser")
c/o Prudential Capital Group
2200 Ross Avenue, Suite 4200E
Dallas, Texas 75201

The Bank of New York
Trust Company, N.A. (the "Collateral Agent")
10161 Centurion Parkway
Jacksonville, FL 32256

RE: South Carolina Generating Company, Inc.
2008 Note Agreement

Gentlemen:

As Senior Vice President and General Counsel of SCANA Corporation ("SCANA"), a South Carolina corporation, and South Carolina Generating Company, Inc. (the "Company"), a South Carolina corporation and wholly-owned subsidiary of SCANA, and South Carolina Electric & Gas Company ("SCE&G"), a South Carolina corporation and wholly-owned subsidiary of SCANA and an affiliate of the Company, I have knowledge or have represented the Company, SCANA and SCE&G (collectively, the "Credit Parties") in connection with (i) the Note Agreement, dated as of May 30, 2008, between the Company and the Purchaser (the "Note Agreement"), pursuant to which the Company (a) has agreed to issue to the Purchaser this date its 6.06% Series 2008-A Senior Secured Note due June 1, 2018, in the aggregate principal amount of $80,000,000 (the "Series 2008-A Note"), and (b) proposes to issue to the Purchaser hereafter its 6.06% Series 2008-B Senior Secured Note due June 1, 2018 in the aggregate principal amount of $80,000,000, (ii) the Second Amended and Restated Mortgage and Security Agreement, dated May 30, 2008, executed by the Company in favor of the Collateral Agent (the "Mortgage"), (iii) the Amendment No. 1 to Amended and Restated Security Agreement, dated as of May 30, 2008, executed by the Company in favor of the Collateral Agent (the "Security Agreement"), (iv) the Guarantee Agreement, dated as of May 30, 2008, executed by SCANA (the "Guarantee"), (v) the Subordination Agreement, dated as of May 30, 2008, between the Company and SCANA (the "Subordination Agreement"), (vi) the Indemnity Agreement, dated as of May 30, 2008, executed by SCE&G (the "Indemnity Agreement"), (vii) the Amendment No. 1 to Collateral Agency Agreement, dated as of May 30, 2008, between the Purchaser and the Collateral Agent and acknowledged by the Company (the "Collateral Agency Agreement"), and (viii) the Inducement Letter, dated as of May 30, 2008, executed by SCE&G in favor of the Purchaser (the "Inducement Letter") concerning (a) the Unit Power Sales Agreement, dated December 18, 1984, between SCE&G and the Company (the "Sales Agreement") and (b) the Operating Agreement, dated December 18, 1984, between SCE&G and the Company (the "Operating Agreement"). All terms used herein that are defined in the Note Agreement have the respective meanings specified in the Note Agreement. This letter is being delivered to you in satisfaction of the condition set forth in paragraph 3B of the Note Agreement and with the understanding that you are purchasing the Note in reliance on the opinion expressed herein.

In this connection, I have examined the Note Agreement, the Series 2008-A Note, the Mortgage, the Security Agreement, the Guarantee, the Subordination Agreement, the Indemnity Agreement, the Collateral Agency Agreement, and the Inducement Letter (collectively, the "Credit Documents") and such certificates of public officials, certificates of officers of the Credit Parties and copies certified to my satisfaction of corporate documents and records of the Credit Parties and of other papers, and have made such other investigations, as I have deemed relevant and necessary as a basis for my opinion hereafter set forth. I have relied upon such certificates of public officials and of officers of the Credit Parties with respect to the accuracy of material factual matters contained therein which were not independently established. With respect to the opinion expressed in paragraphs 7, 9, 10 and 11 below, I have also relied upon the representations made by you in paragraph 9 of the Note Agreement.

Based on the foregoing, it is my opinion that:

1. Each of the Credit Parties is a corporation duly organized and validly existing under the laws of the State of South Carolina. Each of the Credit Parties has the corporate power to own its property, to carry on its business as now being conducted, and to execute, deliver and perform its obligations under each of the Credit Documents to which it is a party.

2. Each Subsidiary of SCANA, listed on Schedule A hereto, is a corporation duly organized and validly existing under the laws of the jurisdiction in which it is incorporated. Each such Subsidiary has the corporate power to own its property and to carry on its business as now being conducted.

3. Each of the Subsidiaries of SCANA is duly qualified to transact business in each jurisdiction where each such corporation owns or leases property or where the failure to be so qualified could have a material adverse effect on its business, condition (financial or otherwise) or operations. The Company and SCE&G have no Subsidiaries (as defined in the Note Agreement).

4. The Credit Documents to which the Company is a party have been duly authorized by all requisite corporate action and duly executed and delivered by authorized officers of the Company, and are valid obligations of the Company, legally binding upon and enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by the matters set forth hereinbelow.

5. The Credit Documents to which SCE&G is a party have been duly authorized by all requisite corporate action and duly executed and delivered by authorized officers of SCE&G and are valid obligations of SCE&G, legally binding upon and enforceable against SCE&G in accordance with their respective terms, except as such enforceability may be limited by the matters set forth hereinbelow.

6. The Guarantee and the Subordination Agreement have been duly authorized by all requisite corporate action and duly executed and delivered by authorized officers of SCANA, and are valid obligations of SCANA, legally binding upon and enforceable against SCANA in

accordance with their respective terms, except as such enforceability may be limited by the matters set forth hereinbelow.

7. It is not necessary in connection with the offering, issuance, sale and delivery of the Series 2008-A Note to you under the circumstances contemplated by the Note Agreement to register the Series 2008-A Note under the Securities Act or to qualify an indenture in respect of the Series 2008-A Note under the Trust Indenture Act of 1939, as amended.

8. The extension, arranging and obtaining of the credit represented by the Series 2008-A Note do not result in any violation of Regulation T, U, or X of the Board of Governors of the Federal Reserve System.

9. The execution, delivery and performance by the Company of the Credit Documents to which it is a party, and the offering, issuance and sale of the Series 2008-A Note do not result in the creation of any Lien (other than the Liens in favor of you) upon any of the properties or assets of the Company, violate the terms of the articles of incorporation or by-laws of the Company, result in the violation of any applicable law (including any securities or State Blue Sky law), statute, rule or regulation, or constitute a default under any other material agreement (including, without limitation, any agreement listed in Schedule 8H to the Note Agreement), instrument, order, judgment or decree to which the Company is a party and by which it is bound.

10. The execution, delivery and performance by SCE&G of the Credit Documents to which it is a party do not result in the creation of any Lien upon any of the properties or assets of SCE&G, violate the terms of the articles of incorporation or by-laws of SCE&G, result in the violation of any applicable law (including any securities or State Blue Sky law), statute, rule or regulation, or constitute a default under any other material agreement, instrument, order, judgment or decree to which SCE&G is a party and by which it is bound.

11. The execution, delivery and performance by SCANA of the Guarantee and the Subordination Agreement do not result in the creation of any Lien upon any of the properties or assets of SCANA or any Subsidiary of SCANA, violate the terms of the articles of incorporation or by-laws of SCANA or any Subsidiary of SCANA, any applicable law (including any securities or State Blue Sky law), statute, rule or regulation, or constitute a default under any agreement, instrument, order, judgment or decree to which SCANA or any Subsidiary of SCANA is a party and by which it is bound.

12. There is no action, suit, investigation, or proceeding pending or, to my knowledge, overtly threatened in writing against the Company, by or before any Court, arbitrator, administrator, or governmental body, which, if determined adversely to the Company, should have a material adverse effect on the business, condition (financial or otherwise) or operations of the Company.

13. Except as disclosed in SCANA's Reports on Form 10-K for the year ended December 31, 2007, or on Forms 10-Q for the period ended March 31, 2008, there is no action,

suit, investigation or proceeding pending or, to my knowledge, overtly threatened in writing against SCE&G or SCANA or any of their Subsidiaries, by or before any court, arbitrator or administrative or governmental body which should result in any material adverse change in the business, condition (financial or otherwise) or operations of SCE&G or SCANA and their Subsidiaries taken as a whole or should have a material adverse effect on the ability of (i) SCE&G to perform under the Indemnity Agreement, the Inducement Letter, the Sales Agreement or the Operating Agreement, or (ii) SCANA to perform under the Guarantee or the Subordination Agreement.

14. No consent, license, approval, order or authorization of, registration or declaration with, any governmental authority, bureau or agency or any court or other Person is required in connection with the execution, delivery and performance by (a) the Company of the Credit Documents to which it is a party, (b) SCE&G of the Credit Documents to which it is a party, or (c) SCANA of the Guarantee or the Subordination Agreement, except (i) SCPSC Order dated May 20, 2008, Docket No. 2008-161-E, (ii) SCPSC Order No. 2003-740, dated December 22, 2003, Docket No. 2003-355-E, (iii) SCPSC Order No. 2004-392, dated October 11, 2004, Docket No. 2003-355-E, (iv) SCPSC Order No. E-1, 063, dated April 29, 1970, Docket No. 14-996, (v) SCPSC Order dated July 29, 1992, Docket No. 92-391-E, (vi) SCPSC Order dated November 27, 1984, Docket No. 84-388-E, (vii) SCPSC Order dated January 22, 1986, Docket No. 86-31-E, (viii) the Order of the FERC issued December 28, 1984 in South Carolina Electric & Gas Company, 29 FERC ¶ 61,350, (ix) the Order of the FERC issued February 20, 1986, in South Carolina Generating Company, Inc., 34 FERC ¶ 63,074, (x) the Order of the FERC issued July 31, 1987 in South Carolina Generating Company, Inc., 40 FERC ¶ 61,116, (xi) the Order of the FERC issued May 4, 1988, in South Carolina Generating Company, Inc., 43 FERC ¶ 61,217, and (xii) the Order of the FERC issued July 5, 1988, in South Carolina Generating Company, Inc., 44 FERC ¶ 61,008, which have been duly obtained and are in full force and effect, are final and all periods of appeal relating thereto have expired (except for the SCPSC Order No. 2008-385 dated May 20, 2008, which appeal period expires on the date hereof), and none of which (including the SCPSC Order No. 2008-385) is the subject of any pending or threatened attack by way of direct proceedings or otherwise.

The foregoing opinions are further limited and qualified as follows:

A. My opinion is limited to the laws of the State of South Carolina and the federal laws of the United States of America.

B. For the opinions expressed in paragraphs 4, 5 and 6 as to enforceability, I have expressly assumed that the rights, duties, responsibilities and obligations of the parties to the agreements and any other instruments referred to in such paragraphs are governed by and will be construed under the laws of the State of South Carolina.

C. I have further assumed that: (a) each of the parties executing a document (other than the Credit Parties) has the power and authority to execute, deliver and perform all of its obligations under such documents, and all other documents required or permitted to be executed, delivered and performed thereunder and has taken all necessary action to enter into, and has duly

executed and delivered, each such document; (b) all natural persons executing documents are legally competent to do so; all signatures on all documents (other than signatures on behalf of the Company on the Credit Documents) are genuine; all documents submitted to us as originals are authentic; and all documents submitted to us as copies conform to the original documents, which themselves are authentic; (c) to the extent that any document imposes any obligation upon any Purchaser or the Collateral Agent, such document is a valid and binding obligation of such party, enforceable against such party in accordance with its respective terms; (d) with respect to the opinion expressed in paragraph 6 below, you are not a broker or dealer (as defined in sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, as amended), a member of a national securities exchange or a person associated with a broker or dealer (as defined in section 3(a)(18) of the Securities Exchange Act of 1934, as amended) other than as a business entity controlling or under common control with the broker or dealer; (e) the Company has sufficient rights in the collateral and has title to the property which it purports to own; (f) all of the Credit Documents will be enforced in a manner that is commercially reasonable and in accordance with any applicable requirements of Article 9 of the UCC; (g) all conditions to closing have been met to your satisfaction or have otherwise been waived or the time for performance has been extended; and (h) the representations made by the Purchaser in paragraph 9 of the Note Agreement are, and shall remain, true and correct.

D. Such opinions as to enforceability are further subject to the qualification that enforcement of the Credit Documents are limited: (a) by bankruptcy, insolvency, fraudulent conveyances, equitable subordination, reorganization, moratorium or other laws or governmental authority relating to or affecting creditor's rights or the collection of debtor's obligations generally, (b) by matters of public policy (provided, however, to my knowledge, there are not any matters of public policy which would limit the enforceability of the Credit Documents other than as specifically set forth herein), and (c) by general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the availability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law.

E. I express no opinion regarding the effectiveness of any provision in the Credit Documents whereby the Credit Parties waive procedural, substantive or constitutional rights or waive any federal or state laws, rules, regulations or exemptions or any common law rights. Enforceability may be further limited in that certain other waivers, remedies and other provisions may not be enforceable in accordance with their terms, but the inclusion of those items should not materially interfere with the practical realization of the principal legal benefits of and principal security intended to be provided by the Credit Documents, except for the economic consequences of any procedural delay which may result from such unenforceable provisions.

F. For the opinions expressed in paragraphs 7, 9, 10 and 11, I express no opinion as to the compliance by any of the Credit Parties with the disclosure requirements of any applicable securities or Blue Sky laws in connection with the offering, issuance, sale and delivery of the Note.

G. Furthermore, I express no opinion as to the rights of taxing authorities or the discretion of the court before which any proceeding may be brought, including rights to attorneys' fees.

I acknowledge that each of the Credit Parties has requested that this opinion be rendered to you and for the benefit of any Transferee, that this opinion is rendered with the intention that you and any transferee may rely thereon in connection with your and their respective purchases of the Series 2008-A Note and that you and any Transferee may so rely thereon. In addition, (i) The McNair Law Firm, P.A., may rely on this opinion as if addressed to it, and (ii) Schiff Hardin LLP may rely on this opinion in connection with the due organization and valid existence of the Credit Parties and matters governed by the laws of the State of South Carolina in giving their opinion pursuant to Paragraph 3A of the Note Agreement. This opinion may not be relied upon by any other person or entity without my prior written consent.

Schedule A to Opinion of
Frank P. Mood
Dated May 30, 2008

Subsidiaries of SCANA Corporation

SCANA Corporation
Carolina Gas Transmission Corporation
SCANA Corporate Security Services, Inc.
SCANA Development Corporation
SCANA Resources, Inc.
SCANA Services, Inc.
ServiceCare, Inc.
South Carolina Fuel Company, Inc.
South Carolina Generating Company, Inc.
Public Service Company of North Carolina, Inc.
    -Clean Energy Enterprises, Inc.
    -PSNC Blue Ridge Corporation
    -PSNC Cardinal Pipeline Company
SCANA Communications, Inc.
    -SCANA Communications Holdings, Inc.
SCANA Energy Marketing, Inc.
    -PSNC Production Corporation
South Carolina Electric & Gas Company

EXHIBIT C

FORM OF OPINION OF
SPECIAL SOUTH CAROLINA REAL ESTATE COUNSEL FOR THE COMPANY

[See Attached]

MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

THE TOWER AT 1301 GERVAIS
1301 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201

www.mcnair.net

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-9800
FACSIMILE (803) 933-1481

May 30, 2008

The Prudential Insurance Company
of America (the "Purchaser")
c/o Prudential Investment Management, Inc.
2200 Ross Avenue, Suite 4200E
Dallas, Texas 75201

RE: South Carolina Generating Company, Inc. ("GENCO") Second Amended and Restated Mortgage and Security Agreement dated May 30, 2008, recorded in the Office of the Register of Deeds for Berkeley County, South Carolina in Book 7343 at page 1 (the "Mortgage")

Ladies and Gentlemen:

We have been requested to serve as real estate counsel to GENCO with respect to certain matters relating to title to the real property subject to the above referenced Mortgage from GENCO to The Bank of New York Trust Company, N.A., as collateral agent for the Purchasers. In that connection we have been requested by GENCO to provide the Purchasers with a limited certificate of title with respect to the real property of GENCO situate in Berkeley County, South Carolina, more particularly described in Exhibit A attached hereto, and commonly known as "Williams Station" (the "Property").

This letter is a limited report of record title ("Report") certifying that we have made a limited examination of the pertinent public records indexed and filed in the offices of the Clerk of Court, Register of Deeds ("ROD"), Treasurer, Tax Collector and Auditor for Berkeley County, South Carolina (such offices collectively being referred to herein as the "County Records Offices") which affect the title to the Property (such records collectively being referred to herein as the "Records") for the limited Examination Period (as defined herein). Whenever the phrase "of record" is used herein, it means the Records relating to matters of real property filed and indexed in the County Records Offices and assumes all such Records have been duly recorded and filed in, and properly indexed by, the County Records Offices.

You were provided a preliminary opinion of title to the Property given by Nexsen, Pruet, Jacobs and Pollard, attorneys and counselors at law ("Nexsen Pruet"), dated August 21, 1992, and a supplementary opinion of title given by Nexsen Pruet dated October 16, 1992 (together, the "Nexsen Pruet Opinion"), which Nexsen Pruet Opinion certifies the title to the Property as of 3:14 p.m., August 21, 1992.

You were further provided a limited certificate of title to the Property given by McNair Law Firm, P.A., dated February 11, 2004 (the "2004 Report"), which 2004 Report updated the status of the title to the Property of record as of 12:30 p.m., February 11, 2004.

The purpose of this Report is to certify the matters of record with respect to the Property based upon our limited examination of the Records in the County Records Offices since the date and time of the 2004 Report. Based on our limited examination of the County Records Offices since the date and time of the 2004 Report, nothing came to our attention to lead us to believe that GENCO is not seized and possessed of a marketable, fee simple (or easement as noted on Exhibit A) record title to the Property, free and clear of all mortgages, judgments, mechanic's liens, notices of pendency of action, federal and state tax liens and other defects or encumbrances of record, except as set forth in the Nexsen Pruet Opinion and the 2004 Report, subject to the following exceptions and exclusions:

1. Specific Exceptions. The specific exceptions since the date and time of the 2004 Report as set forth in Exhibit B attached hereto and incorporated herein.

2. General Exclusions. This Report specifically excludes, and assumes no liability for, the following matters:

a. EXISTENCE OR EXERCISE OF GOVERNMENTAL POWERS limiting the ownership of the Property, including, without limitation: (a) exercise or enforcement of powers of bankruptcy, eminent domain or condemnation and police power under any existing or future law, ordinance or regulation; (b) effect of any law, ordinance or regulation of any other governmental agency, authority or body (including, but not limited to, building, planning, subdivision or zoning codes or ordinances) limiting the use or enjoyment of the Property, or the character, size, use or location of any improvement now or hereafter erected on the Property; and (c) rights of taxing authorities.

b. MATTERS NOT REVEALED OF RECORD, including, without limitation: (a) rights or claims of parties in possession; (b) unrecorded leases; (c) unrecorded easements, rights of way and servitudes; (d) unfilled mechanics or materialmen's liens; (e) adverse conveyances; (f) any other agreements, defects or encumbrances; (g) forgeries of or incompetent parties or witnesses to any instruments; (h) the genuineness or authenticity of recorded documents; (i) the organizational validity of corporate, general partnership, or limited partnership entities in the chain of title and the authorization of the person(s) signing for such entities; (j) riparian rights applicable to the Property; (k) documents improperly indexed in the records of the ROD office, or the offices of the Clerk of Court, the Probate Court, the Tax Collector, the County Treasurer and the County Auditor; (l) correctness of the marital status of Grantors or Mortgagors; (m) undisclosed heirs; (n) validity of powers of attorney; (o) the legal capacity of any individual person executing a document; (p) rights of parties in possession through unrecorded leases; (q) title to any portion of the Property located below the mean high water mark of abutting tidal waters; (r) title to any portion of the Property constituting wetlands,

marshlands or navigable waters; (s) title to any portion of the Property constituting "filled" lands; (t) rights of others in and to use ditches along the boundary lines for drainage purposes; and (u) any unpaid assessments not of record in the ROD Office or the Clerk of Court. We have assumed the completeness and accuracy of all such records and index of such records.

c. MATTERS OR RECORDS SPECIFICALLY NOT EXAMINED, including without limitation: (a) criminal records; (b) pending litigation, other than that for which a Lis Pendens has been filed; (c) records of the Bankruptcy court and other federal courts; (d) taxes and UCC financing statements applicable to personal property; (e) confidential records of the Probate Court, including but not limited to commitments to the State hospital; and (f) documents transferred to the South Carolina State or County Archives.

d. SURVEYS AND MATTERS OF INSPECTION, including, without limitation: (a) any variation in location of corners, monuments, conflicts in boundary lines, encroachments, overlaps, gaps, gores; (b) right to access; (c) errors, ambiguities or other deficiencies in the legal description of the land set forth in any deed; (d) areas within special flood hazard areas or flood zones; and (e) any other defects, limitation, objections, easements, encumbrances or other such state of facts which an accurate survey or other on-site inspection of the Property would disclose. No certification is made as to the metes and bounds as shown on any instrument or plat, and no certification is made as to the physical condition of the Property.

e. THE POSSIBILITY OF FUTURE TAXES, if any, assessed under the roll-back provisions of Section 12-43-220 of S. C. Code Ann. (1976), as amended.

f. INTERESTS CREATED BY OR LIMITATIONS ON USE imposed by the Federal Coastal Zone Management Act or other federal law or regulations or by the South Carolina Coastal Zone Management Act of 1977 Sections 48-39-10, et seq., Code of Laws of South Carolina, 1976, as amended by the South Carolina Beach Management Act.

Our examination covers only a limited search of the following records and period of time:

1. Records preserved in the County Records Offices referenced above.

2. February 11, 2004 at 12:04 p.m. up to and including May 30, 2008 at 11:19 a.m. (the "Examination Period").

This Report relates solely to the real property constituting the Property, and we make no certification or representation with respect to the condition of the title to any other property (real or personal). Furthermore, this Report is limited solely to matters of record relating to the status

of title to the Property under laws of the state of South Carolina. This Report is a limited report of record title to the Property and is not title insurance or a guaranty of any other condition relating to the Property.

The Report has been prepared solely for the benefit of the addressees specifically above named and for the benefit of the Transferee (as defined in the 2008 Note Agreement) with respect to the 2008 Notes and may not be relied upon by any other person or entity or for any other purpose without our prior written consent.

Sincerely,

EXHIBIT A

DESCRIPTION OF LAND

Tract No. 1

By virtue of an instrument entitled INDENTURE (DEED, ASSIGNMENT AND BILL OF SALE) ("Indenture") between South Carolina Electric & Gas Company (SCE&G), as Grantor, and South Carolina Generating Company, Inc. ("GENCO"), as Grantee, dated December 31, 1984 and recorded December 31, 1984 in the Berkeley County RMC Office in Deed Book A-585 at Page 139, GENCO acquired title to and now owns the lands hereinafter described together with the improvements and facilities located thereon and used for and in the coal-fired steam generation of electricity, all of which are defined in the Indenture, which is incorporated herein by reference, as the "Generating Facilities" and commonly known as the A. M. Williams Station (hereinafter "Williams Station").

All those certain pieces, parcels or tracts of land, with the improvements thereon, situate, lying and being in a development known as Bushy Park in Berkeley County, South Carolina, Parcel A containing 1.30 acres, Parcel B containing 287.17 acres and Parcel C containing 197.54 acres more fully shown and delineated and having the boundaries and measurements shown on the South Carolina Electric & Gas Company Drawing D-19,633, Sheets 5 of 6, dated 11-12-84 (the "Plat"), attached to the Indenture as Exhibit A and Incorporated herein by reference.

DERIVATION: Tract No. 1 is the same property conveyed to GENCO by South Carolina Electric & Gas Company by Indenture recorded in the RMC Office for Berkeley County in Book A-585, Page 139 on December 31, 1984.

TMS No: 237-00-00-03

Tract No. 2

All that certain piece, parcel or tract of land, with the improvements thereon, situate, lying and being in Second St. John's Tax District, MEASURING AND CONTAINING Fifty-Nine and Eighty-Three Hundredths (59.83) Acres, more or less, BUTTING AND BOUNDED, generally, as follows, to wit: on the North along lands of Ebenezer Methodist Church, Joseph L. and Bertha L. Metts, Wendel P. and Doris R. Lambert, Gerald L. and Doris R. Metts, James L. Bennet, Sr., lands now or formerly of Brown and Henry Clark, Jr.; on the East along lands of Berkeley County School District; on the South along lands of William Rentiers and Laura Beasley; on the West by lands the

owner of which is not designated on plat, but the property line being approximately along the right-of-way of a county maintained road designated as Oakley Road and the right of way of U. S. Highway 17-A; said tract having such shape, form, courses, distances, buttings, boundaries and delineations as are more fully shown on a plat captioned "PLAT PREPARED FOR SOUTH CAROLINA ELECTRIC & GAS 2nd ST. JOHNS PARRISH LOCATED IN BERKELEY COUNTY, S.C." dated July 27, 1982, prepared by Whitworth & Associates, Inc., a copy of which is recorded in the office of the RMC for Berkeley County, South Carolina, in Plat Cabinet E, Slide No. 12; reference is hereby craved to said plat and same is made a part and parcel of this description.

DERIVATION: Tract No. 2 is the property conveyed to South Carolina Electric & Gas Company by deed of Monsen and Debacker, a partnership, et al., dated August 27, 1982, recorded in Deed Book A-479 at Page 280.

TMS NO.: 180-00-02-038

Tract No. 3

Parcel A:
All that certain piece, parcel or tract of land together with improvements thereon, situate, lying and being in the County of Berkeley, State of South Carolina, and being shown and designated as "600.000 Acres" on a plat by Engineering, Surveying and Planning, Inc., entitled "Plat showing a 600.00 Acre Tract to be Conveyed to South Carolina Generating Company, Inc. A Portion of Kibblesworth Plantation, dated December 10, 1990 and recorded in Plat Cabinet I, Page 265 in the RMC Office for Berkeley County. Said Property has such size, shape, buttings, boundings and dimensions as will by reference to said plat more fully appear.

Derivation: Tract No. 3, Parcel A, is the same property conveyed to GENCO by deed of Roderick Donald Sanders, et al., recorded in the RMC Office for Berkeley County in Book A-891, Page 298 on December 20, 1990.

TMS No.: 196-00-00-078

SAVE AND EXCEPTING: All that lot, piece or parcel of land situate, lying and being in Berkeley County, South Carolina and described as follows: Commencing at a ½" pin located along the western boundary of the right of way of U. S. Highway 52 2, 249 feet south of the intersection of Oakley Road, the point of beginning; thence running along a curve with a radius of 11285.61 feet, a length of 416.43 feet, a tangent of 208.24 feet, a chord of 416.40 feet, a bearing of south 04 degrees 27 minutes 31 seconds east, and a delta of 02 degrees 06 minutes 51 seconds to an iron rod set; thence turning and running

north 86 degrees 35 minutes 54 seconds east a distance of 25.00 feet to an iron rod set; thence turning and running along a curve with a radius of 11310.61 feet, a length of 530.49 feet, a tangent of 265.29 feet, a chord of 530.44 feet, a bearing of south 02 degrees 03 minutes 29 seconds east, and a delta of 02 degrees 41 minutes 14 seconds to an iron rod set; thence turning and running north 88 degrees 31 minutes 45 seconds west a distance of 2613.17 feet to an iron rod set; thence turning and running north 46 degrees 59 minutes 54 seconds west a distance of 1202.37 feet to a 1" iron pipe found; thence turning and running north 89 degrees 03 minutes 00 seconds east a distance of 2375.53 feet to a #4 rebar found; thence turning and running north 89 degrees 02 minutes 56 seconds east a distance of 1040.20 feet to a ½" pipe found, the point of beginning. Said parcel being more particularly shown and depicted on a plat prepared by Robert David Branton, PLS & PE, entitled "PLAT OF A 61.13 ACRE TRACT OF LAND OWNED BY SOUTH CAROLINA GENERATING CO., INC. ABOUT TO BE CONVEYED TO BERKELEY COUNTY WATER & SANITATION AUTHORITY LOCATED IN BERKELEY COUNTY, SOUTH CAROLINA", dated February 16, 1995, a copy of which is recorded in the RMC Office for Berkeley County in Plat Cabinet L, Page 142 and which is made a part hereby and incorporated herein by reference.

This being the same premises conveyed to the Berkeley County Water and Sanitation Authority by South Carolina Generating Company, Inc. dated November 30, 1995 and recorded January 3, 1996 in the RMC office for Berkeley County in Deed Book 780 at Page 84.

Parcel B

ALL that certain piece, parcel or tract of land together with the improvements thereon, situate, lying and being in the County of Berkeley, State of South Carolina, and being shown and designated as "218.954 Acres" on a plat by Engineering, Surveying and Planning, Inc., entitled "Plat showing a 218.954 Acre Tract to be Conveyed to South Carolina Generating Company, Inc. a Portion of Kibblesworth Plantation, Berkeley County, South Carolina" dated April 22, 1991 and recorded in Plat Cabinet I, Page 379 in the RMC office for Berkeley County. Said Property has such size, shape, buttings, boundings and dimensions as will by reference to said plat more fully appear.

Derivation: Tract No. 3, Parcel B, is the same property conveyed to GENCO by deed of Ernest Coleman Sanders, Jr., et al., recorded in the RMC Office for Berkeley County in Book A-914 at Page 03, on June 19, 1991.

TMS No.: 196-00-00-078

ALSO

A PERPETUAL EASEMENT for the use, operation and maintenance of monitoring wells number 7 & 8 over 1,508 square feet designated as Easement A on a plat prepared by Robert David Branton, PLS & PE, entitled "AN EASEMENT PLAT DONE FOR BERKELEY COUNTY WATER AND SANITATION AUTHORITY ON THE BCW&SA PROPOSED LAND FILL SITE TO ALLOW INGRESS-EGRESS BY S.C.E.&G. FOR MAINTENANCE OF SCE&G MONITORING WELLS NUMBER 7 & 8 LOCATED IN BERKELEY COUNTY, SOUTH CAROLINA" dated February 16, 1995 and recorded in the Office of the Register of Deeds for Berkeley County in Plat Cabinet L at Page 143.

EXCLUSIONS:
This description includes the Generating Facilities as defined in the Indenture, but excludes expressly the Gas Turbine Facilities, the Gas Turbine Appurtenant Facilities, the Transmission Facilities, and the Gas Facilities as defined in the Indenture. Without limiting the foregoing, there is also expressly excluded from this description any and all facilities which are or which are deemed by the Federal Energy Regulatory Commission to be Transmission Facilities or used in or for the transmission of electricity.

EXHIBIT B

SPECIFIC EXCEPTIONS SINCE FEBRUARY 11, 2004 AT 12:30 P.M.

General Exceptions Applicable to Tracts Nos. 1, 2 and 3 and Easement Parcel:

Berkeley County ad valorem taxes for current and future years, not yet due and payable.

Mortgage Exception Applicable only to Tracts Nos. 1, 2, 3 and Easement Parcel.

Second Amended and Restated Mortgage and Security Agreement of GENCO to The Bank of New York Trust Company, N.A., as collateral agent, dated May 30, 2008, recorded on May 30, 2008 in the ROD Office for Berkeley County in Book 7343 at Page 1.

UCC-1 Exception Applicable only to Tracts Nos. 1, 2, 3 and Easement Parcel.

UCC-1 Financing Statement from GENCO as Debtor to The Bank of New York Trust Company, N.A., as Collateral Agent, recorded on February 11, 2004 in the ROD Office for Berkeley County in Book 3830 at Page 28.

Exceptions Applicable only to Tract No. 1

1. Memorandum of Agreement by and between SCANA Communications, Inc. and Nextel South Corp. dated March 10, 2004 and recorded April 16, 2004 in the ROD Office for Berkeley County in Book 3942 at Page 169.

2. Assignment and Assumption of Site Lease by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 158.

3. Assignment and Assumption of Tower Leases/Licenses by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 166.

Exceptions Applicable only to Tract No. 2:

1. Easement granted by GENCO to the Berkeley Electric Cooperative, Inc. dated November 6, 2006 recorded January 4, 2007 in the ROD office for Berkeley County in Deed Book 6252 at Page 317.

Exceptions Applicable only to Easement Parcel:

1. Memorandum of Agreement by and between SCANA Communications, Inc. and Nextel South Corp. dated March 10, 2004 and recorded April 16, 2004 in the ROD Office for Berkeley County in Book 3942 at Page 169.

2. Assignment and Assumption of Site Lease by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 158.

3. Assignment and Assumption of Tower Leases/Licenses by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 166.

EXHIBIT D

FORM OF OPINION OF SPECIAL SOUTH CAROLINA COUNSEL FOR THE COMPANY

[See Attached]

MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

www.mcnair.net

THE TOWER AT 1301 GERVAIS
1301 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-9800
FACSIMILE (803) 753-3277

May 30, 2008

The Prudential Insurance Company
of America (the "Purchaser")
c/o Prudential Investment Management, Inc.
2200 Ross Avenue, Suite 4200E
Dallas, Texas 75201

The Bank of New York
Trust Company, N.A. (the "Collateral Agent")
10161 Centurion Parkway
Jacksonville, FL 32256

RE: South Carolina Generating Company, Inc.
Note Purchase Agreement

Gentlemen:

We have acted as counsel to (1) SCANA Corporation, a South Carolina corporation ("SCANA"), (2) South Carolina Generating Company, Inc., a South Carolina corporation (the "Company"), (3) South Carolina Electric & Gas Company, a South Carolina corporation ("SCE&G"; the Company, SCANA and SCE&G are collectively the "Credit Parties"), in connection with (i) the Note Agreement, dated as of May 30, 2008, between the Company and the Purchaser (the "Note Agreement"), pursuant to which the Company (a) has agreed to issue to the Purchaser this date its 6.06% Series 2008-A Senior Secured Note due June 1, 2018, in the aggregate principal amount of $80,000,000 (the "Series 2008-A Note"), and (b) proposes to issue to the Purchaser hereafter its 6.06% Series 2008-B Senior Secured Note due June 1, 2018 in the aggregate principal amount of $80,000,000, (ii) the Second Amended and Restated Mortgage and Security Agreement, dated May 30, 2008, executed by the Company in favor of the Collateral Agent (the "Mortgage"), (iii) the Amendment No. 1 to Amended and Restated Security Agreement, dated as of May 30, 2008, executed by the Company in favor of the Collateral Agent (the "Security Agreement"), (iv) the Guarantee Agreement, dated as of May 30, 2008, executed by SCANA (the "Guarantee"), (v) the Subordination Agreement, dated as of May 30, 2008, between the Company and SCANA (the "Subordination Agreement"), (vi) the Indemnity Agreement, dated as of May 30, 2008, executed by SCE&G (the "Indemnity Agreement"), (vii) the Inducement Letter, dated as of May 30, 2008, executed by SCE&G in favor of the Purchaser (the "Inducement Letter"), and (viii) the Amendment No. 1 to Collateral Agency Agreement, dated as of May 30, 2008, between the Purchaser and the Collateral Agent and acknowledged by the Company (the "Collateral Agency Agreement"). All capitalized terms used herein that are defined in the Note Agreement and are not otherwise defined herein shall have the respective meanings specified in the Note Agreement. This letter is being delivered to you in satisfaction of the condition set forth in paragraph 3D of the Note Agreement.

In this connection, we have reviewed the Note Agreement, the Series 2008-A Note, the Mortgage, the Security Agreement, the Guarantee, the Subordination Agreement, the Indemnity Agreement, the Inducement Letter, and the Collateral Agency Agreement (collectively, the "Credit Documents"). We have also reviewed and relied on such certificates of public officials, certificates of officers of the Credit Parties, and copies of such corporate documents of the Credit Parties, as we have deemed relevant and necessary as a basis for our opinion hereinafter set forth. As to questions of fact, we have relied upon the representations and warranties of the Credit Parties in the Credit Documents and on the statements and certificates of officers and other representatives of the Credit Parties and on certificates of public officials, without independent investigation, confirmation or analysis of the underlying data therein.

We have relied upon the opinion of Frank P. Mood, general counsel to the Credit Parties, regarding the due authorization, execution and delivery of each of the Credit Documents. We understand that you are relying upon the opinion of Frank P. Mood, general counsel to the Credit Parties, with respect to regulatory matters within the jurisdictions of the South Carolina Public Service Commission ("SCPSC") and the Federal Energy Regulatory Commission ("FERC"), and we express no opinion as to regulatory matters.

This opinion is limited to the law of the State of South Carolina (the "State") and, to the extent set forth in paragraphs 5 and 6, applicable federal law. We express no opinion as to any laws of any other jurisdiction, including, without limitation, the laws of the state of New York. To the extent the Credit Documents provide that they are to be governed by New York law, the opinions set forth herein assume that the laws of the State would govern, notwithstanding any choice of law provision to the contrary, and no opinions are given regarding or with respect to any choice of law provision.

In rendering this opinion, we have assumed, and without independent verification or investigation, each of the following:

(a) Each of the parties executing a document (other than the Credit Parties) has the power and authority to execute, deliver and perform all of its obligations under such documents, and all other documents required or permitted to be executed, delivered and performed thereunder and has taken all necessary action to enter into, and has duly executed and delivered, each such document.

(b) All natural persons executing documents are legally competent to do so; all signatures on all documents submitted to us are genuine; all documents submitted to us as originals are authentic; and all documents submitted to us as copies conform to the original documents, which themselves are authentic.

(c) To the extent that any document imposes any obligation upon any Purchaser or the Collateral Agent, such document is a valid and binding obligation of such party, enforceable against such party in accordance with its respective terms.

(d) With respect to the opinion expressed in paragraph 6 below, you are not a broker or dealer (as defined in sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, as amended), a member of a national securities exchange or a person associated with a broker or dealer (as defined in section 3(a)(18) of the Securities Exchange Act of 1934, as amended) other than as a business entity controlling or under common control with the broker or dealer.

(e) The Company has sufficient rights in the collateral and has title to the property which it purports to own.

(f) All of the Credit Documents will be enforced in a manner that is commercially reasonable and in accordance with any applicable requirements of Article 9 of the UCC.

(g) All conditions to closing have been met to your satisfaction or have otherwise been waived or the time for performance has been extended.

(h) The representations made by the Purchaser in paragraph 9 of the Note Agreement are, and shall remain, true and correct.

Based upon the foregoing examinations and assumptions and upon such investigation as we have deemed necessary, and subject to the limitations and qualifications set forth below, we are of the opinion that:

1. Each of the Credit Parties is validly existing as a corporation under the laws of the State of South Carolina. Each of the Credit Parties has the corporate power to execute and deliver the Credit Documents to which it is a party and to consummate the transactions contemplated thereby and has the corporate power to carry on its business as now being conducted.

2. The Credit Documents to which the Company is a party are valid obligations of the Company, legally binding upon and enforceable against the Company in accordance with their respective terms.

3. The Credit Documents to which SCE&G is a party are valid obligations of SCE&G, legally binding upon and enforceable against SCE&G in accordance with their respective terms.

4. The Guarantee and the Subordination Agreement are valid obligations of SCANA, legally binding upon and enforceable against SCANA in accordance with their respective terms.

5. It is not necessary in connection with the issuance, sale and delivery of the Series 2008-A Note to you on the date hereof under the circumstances contemplated by the Note Agreement to register the Series 2008-A Note under the Securities Act or to qualify an indenture in respect of the Series 2008-A Note under the Trust Indenture Act of 1939, as amended.

6. The issuance of the Series 2008-A Note being delivered on the date hereof and the use of the proceeds of the Series 2008-A Note in accordance with the provisions of, as applied in the manner contemplated by, and subject to the limitations contained in, the Note Agreement do not violate Regulation T, U or X of the Board of Governors of the Federal Reserve System.

7. The execution and delivery by the Company of the Credit Documents to which it is a party, and the consummation by it of the transactions contemplated thereby, do not (a) violate any law, rule or regulation applicable to the Company, (b) violate the provisions of the charter or bylaws of the Company, or (c) result in the creation of any Lien (other than the Liens in favor of you) upon any of the properties or assets of the Company pursuant to the charter or by-laws of the Company.

8. The execution and delivery by SCE&G of the Credit Documents to which it is a party, and the consummation by it of the transactions contemplated thereby, do not (a) violate any law, rule or regulation applicable to SCE&G, (b) violate the provisions of the charter or bylaws of SCE&G, or (c) result in the creation of any Lien upon any of the properties or assets of SCE&G pursuant to the charter or by-laws of SCE&G.

9. The execution and delivery by SCANA of the Guarantee and the Subordination Agreement do not (a) violate any law, rule or regulation applicable to SCANA, (b) violate the provisions of the charter or bylaws of SCANA, or (c) result in the creation of any Lien upon any of the properties or assets of SCANA pursuant to the charter or by-laws of SCANA.

10. The Mortgage is in appropriate form for recording in the State. Upon due recordation of the Mortgage, the Mortgage is sufficient to create a valid mortgage lien in favor of the Collateral Agent on the real property described therein, to the extent owned by the Company, and the Mortgage is sufficient to create a valid security interest in favor of the Collateral Agent in any goods to the extent owned by the Company and located thereon which now or may hereafter constitute "fixtures" within the meaning of Article 9 of the UCC and under State law (such goods being herein referred to as the "Fixtures").

11. The Security Agreement is sufficient to create a security interest in the personal property of the Company described therein to the extent such personal property consists of the items and types of property subject to Article 9 of the UCC and in which a security interest may be created under Article 9 of the UCC.

12. The security interest in the personal property described in the Security Agreement is perfected to the extent a security interest may be perfected by the filing of financing statements in the State under the UCC (the "Article 9 Personalty"), except that the foregoing is subject to the following:

(i) The effectiveness of a financing statement under the UCC terminates five years after the filing unless a continuation statement is filed prior to such termination in accordance with Section 9-515 of the UCC. We disclaim any obligation to effect any such filings or provide any further notice of necessity thereof.

(ii) Section 9-507(c) and Section 9-508(b) of the UCC provide that if the debtor so changes its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change unless an appropriate amendment under Section 9-507(e)(2) of the UCC or a new financing statement under Section 9-508(b)(2), as the case may be, is filed before the expiration of that period.

(iii) Under certain circumstances described in Section 9-315 and 9-322 of the UCC, the rights of a secured party to enforce a perfected security interest in proceeds of collateral may be limited. Under certain circumstances described in Sections 9-315 and 9-330 of the UCC, purchaser of collateral may take the same free of a perfected security interest. Under Section 9-324 of the

UCC, a security interest in the collateral may be subject to purchase money security interests of others in the collateral.

(iv) We express no opinion with respect to a security in any collateral which is not governed solely by Article 9 of the UCC, which must be perfected by possession or control, which is not perfected by State filing or which may be perfected by permissive filing.

(v) The security interest is subject to any prior filed financing statements, if any, as shown on the results of the UCC-11 lien searches, copies of which have been provided to you and your counsel.

(vi) In the case of property which becomes proceeds, product, rents or profits, Section 552 of the United States Bankruptcy Code, 11 U.S.C.A. Section 552 (as amended), limits the extent to which property acquired by a debtor after the commencement of a sale under the federal bankruptcy laws may be subject to a security interest arising from a security agreement entered into by the debtor before the commencement of such a case.

The foregoing opinions are further limited by the following assumptions, limitations and qualifications:

A. The opinions contained herein as to the enforceability of the Credit Documents are subject to the qualification that enforcement of the Credit Documents are limited: (a) by bankruptcy, insolvency, fraudulent conveyances, equitable subordination, reorganization, moratorium or other laws or governmental authority relating to or affecting creditor's rights or the collection of debtor's obligations generally, (b) by matters of public policy (provided, however, to our knowledge, there are not any matters of public policy which would limit the enforceability of the Credit Documents other than as specifically set forth herein), and (c) by general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the availability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law.

B. We express no opinion as to the rights of taxing authorities or the discretion of the court before which any proceeding may be brought, including rights to attorneys' fees.

C. We express no opinion with respect to the Company's right or title to any personal property, the location of any personal property, the priority of any security interest in personal property, or except as specifically set forth in paragraph 12 with respect to the Article 9 Personalty, the perfection of any security interest in personal property. Without limiting the foregoing, we express no opinion as to any purchase money security interests, or security interests in natural resources, timber, titled vehicles or consumer goods. We express no opinion as to the incorporation of any items of personal property as a part of the real estate under the Mortgage. We express no opinion as to the location of the land or the legal description, except that the legal description is sufficient for recording the Mortgage.

D. We express no opinion as to after-acquired personal property with respect to the types of collateral identified in Section 9-204(b) of the UCC, after acquired real property or the perfection and priority of any security interest relating to such after-acquired property. Any provision which purports (i) to create, with no further action on the part of the Company, a lien arising in the future attaching to assets in which no

security interest is granted by the Credit Documents or (ii) to limit the rights of third parties who obtain legitimate liens on such assets may be unenforceable, and we express no opinion as to the effect of such provision.

E. The Mortgage provides for future advances as permitted by Section 29-3-50 of the Code of Laws of South Carolina, 1976, as amended, subject to the limitations thereof, including, without limitation, the effect of mechanic's liens under Section 29-5-90 of the Code of Laws of South Carolina, 1976, as amended. However, we express no opinion as to the enforceability of any security interest created by any Credit Document to the extent that (i) such security interest purports to secure an obligation or liability of the Company arising in the future and it is determined that such liability or obligation is not a "future advance" within the meaning of Section 29-3-50 of the Code of Laws of South Carolina, 1976, as amended, or Section 9-204(c) of the UCC or (ii) such obligation or liability was not within the contemplation of the Company at the time the Credit Documents were executed, or is determined not to be of the same character or class as the obligations and liabilities of the Company created or arising under the Credit Documents. Furthermore, the Mortgage may not be given as security for future advances in excess of the maximum principal amount stated therein, plus interest thereon, attorneys' fees and court costs, and the secured indebtedness may be limited to such amount.

F. We express no opinion as to the effect of compliance, or failure to comply, with any and all federal, state or local laws, rules and regulations relating to the environment, health and safety, building codes, construction, public rights and zoning. We express no opinion as to the consumer, privacy, anti-terrorism, anti-trust or anti-tying laws of any jurisdiction or laws governing and regulating financial institutions. We express no opinion as to compliance by any party to the Credit Documents with regulations and orders of the SCPSC and FERC. We express no opinion as to the effect of or compliance by any parties to the transaction with any state or federal laws or regulations applicable to the subject transactions as a result of their regulatory status. We have assumed that the Credit Parties are in compliance with all such laws, rules and regulations with respect to the execution, delivery and performance of their obligations under the Credit Documents. We express no opinion as to the compliance by any of the Credit Parties with the disclosure requirements of applicable securities or Blue Sky laws in connection with the offering, issuance, sale and delivery of the Series 2008-A Note. No other opinions should be inferred beyond the matters expressly stated.

G. In rendering the foregoing opinions, we are not passing upon the proper recording of the Mortgage or the Financing Statement after delivery to the ROD Office for Berkeley County or the Office of the South Carolina Secretary of State, as the case may be. Furthermore, we have assumed that the Financing Statement and the Mortgage will be properly indexed with the South Carolina Secretary of State's Office and the ROD Office for Berkeley County, as the case may be.

H. We express no opinion as to any grant of a power of attorney in any document or any provision that appoints the Collateral Agent or other parties as agent or attorney-in-fact.

I. We express no opinion as to the negotiability of any promissory note or similar obligation based on the limitations set forth in Sections 3-104(1)(b), 3-105 and 3-112 of the UCC.

J. We express no opinion as to the enforceability of any charge or fee (excluding interest or Yield Maintenance Amount paid on an optional prepayment under paragraph 4B of the Note Agreement,

subject, however, to the other limitations set forth herein), including any capital adequacy provision, however calculated, which would be deemed a penalty. For purposes of this opinion, we have assumed that any Yield Maintenance Amount would be calculated based on a reasonable measure of actual damages and would not be deemed a penalty. We express no opinion as to the right to accelerate the due date of any indebtedness upon the occurrence of an immaterial breach (including a material breach of a non-material provision thereof) of any of the documents or upon any filing under any applicable Bankruptcy Code or solely in the event you deem yourself insecure or believe that your prospects for repayment are impaired. We express no opinion on provisions to the effect that the acceptance by you of past due installments or other performance by the Company shall not be deemed a waiver of your right to accelerate the indebtedness.

K. We express no opinion as to any other document which may be referred to or otherwise incorporated by reference into any Credit Document. Furthermore, we express no opinion as to the enforceability or construction of any of the documents which contain provisions that may be inconsistent.

L. The enforceability of the Credit Documents may be limited by the rights of third parties to the extent that the consent of such third parties is necessary for the valid transfer of any collateral as security. We express no opinion as to any anti-assignment provision based on the limitations set forth in Section 9-406 through 9-409 of the UCC. Furthermore, we express no opinion as to any assignment of any lease, contract, warranty, permit or other document which is not freely assignable without the consent of any other party to such document where such consent has not been obtained or with respect to any governmental entity. We express no opinion as to any provision providing for the right to cure defaults with third parties.

M. We express no opinion regarding the effectiveness of any provision in the Credit Documents whereby the Credit Parties waive procedural, substantive or constitutional rights or waive any federal or state laws, rules, regulations or exemptions or any common law rights. Furthermore, we express no opinion as to the enforceability of provisions related to: (i) disclaimers; (ii) indemnities or liability limitations with respect to third parties or with respect to one's own negligence; (iii) releases of other legal or equitable rights; (iv) marshalling of assets; (v) waiver of unmatured rights; (vi) waiver of rights to notice; (vii) waiver or other avoidance of the merger doctrine; (viii) waiver of or limitations on the ability to bring claims and counterclaims; (ix) waiver of damages; (x) waiver of trial by jury; (xi) submission to arbitration; (xii) submission to jurisdiction and venue; (xiii) limitations on or waivers of statutes of limitation or repose; (xiv) discharges of defenses; (xv) delay or omission of enforcement of rights and remedies; (xvi) severability where less than all of the contract may be unenforceable; or (xvii) limitations or prohibitions on oral agreements.

N. We express no opinion as to any waiver of appraisal rights in foreclosure or otherwise contained in any document based on the limitations and requirements of Section 29-3-680 of the Code of Laws of South Carolina, 1976, as amended.

O. Contrary to the provisions in the Credit Documents regarding self-help remedies of the Collateral Agent, a secured party, upon default, has the right to proceed without judicial process to retake possession of secured personal property only if it can be done without breach of the peace in compliance with the requirements and remedies set forth under the UCC. We express no opinion as to the enforceability of the remedies set forth in the Mortgage or any other Credit Documents which are contrary to the provisions of the UCC or the statutory or other legal requirements for appointment of a receiver, the collection of rents and judicial foreclosure under State law. We express no opinion as to whether or not the Collateral Agent may be

deemed a mortgagee-in-possession under certain circumstances and express no opinion as the provisions relating to mortgagee-in-possession remedies. Furthermore, we express no opinion as to the enforceability of any remedy other than judicial foreclosure as it relates to the real property secured by the Mortgage. Notwithstanding anything to the contrary in the Credit Documents, you may be forced to initiate legal proceedings to effectuate your remedies. In addition, all remedies may be limited or modified by the doctrine of election of remedies.

P. Certain other provisions of the Mortgage and the Security Agreement may be further limited or rendered unenforceable by applicable law, but in our opinion the inclusion of such terms should not, subject to the other qualifications and exceptions state elsewhere in this opinion, make the material remedies afforded by the Mortgage or the Security Agreement inadequate for the practical realization of the principal legal benefits intended to be provided thereby, except for the economic consequences of any procedural delay which may result from such unenforceable provisions.

This opinion is delivered to you in connection with the transactions referenced above and may be relied upon only by you and your Transferee solely in connection with your and your Transferee's purchase of the Series 2008-A Note pursuant to the Note Agreement. Any reliance by a Transferee shall be no greater than your reliance as a Purchaser of the Series 2008-A Note as of this date in connection with, and made pursuant to the terms of, the Note Agreement and must be actual and reasonable under the circumstances existing at the time of the transfer, including any changes in law or facts, with the understanding that this opinion is applicable only under circumstances when made and as of its date. This opinion is based upon laws and regulations in effect on the date hereof, and we assume no obligation to update or supplement this opinion to reflect any events or state of facts that may hereafter come to our attention or any changes in laws, regulations or court decisions that may hereafter occur. This opinion may not be relied upon by any other person or entity without our prior written consent.

Sincerely,

EXHIBIT E

FORM OF MORTGAGE

[See Attached]

STATE OF SOUTH CAROLINA	)	SECOND AMENDED AND RESTATED
	)	MORTGAGE AND SECURITY
COUNTY OF BERKELEY	)	AGREEMENT

THIS SECOND AMENDED AND RESTATED MORTGAGE AND SECURITY AGREEMENT made the 30th day of May, 2008, by SOUTH CAROLINA GENERATING COMPANY, INC., a corporation organized and existing under the laws of South Carolina and having its principal place of business at 1426 Main Street, Columbia, South Carolina 29201 ("Mortgagor"), to THE BANK OF NEW YORK TRUST COMPANY, N.A., as collateral agent for the Holders (as defined herein) from time to time of the Notes (as defined herein), a national banking association having a place of business at 10161 Centurion Parkway, Jacksonville, Florida 32256 ("Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor has entered into a Note Agreement (the "1992 Note Agreement"), dated as of August 21, 1992, under which The Prudential Insurance Company of America, a New Jersey corporation ("Prudential" together with Prudential's respective successors and assigns and any other Person (as defined in Section 8.11(f) herein) who becomes a holder of a 1992 Note, collectively, the "1992 Holders"), purchased one or more promissory notes dated August 21, 1992 in the aggregate original principal amount of Seventy Eight Million Five Hundred Thousand and no/100 Dollars ($78,500,000.00) (the "1992 Notes"), due December 31, 2011, with interest thereon at the rates set forth in the 1992 Notes and the 1992 Note Agreement;

WHEREAS, Mortgagor has entered into a Note Agreement (the "2004 Note Agreement"), dated as of February 11, 2004, under which Prudential, General Electric Capital Assurance Company, First Colony Life Insurance Company, Security Life of Denver Insurance Company, United Of Omaha Life Insurance Company, RGA Reinsurance Company, and National Life Insurance Company (collectively, the "2004 Purchasers" and, together with their respective successors and assigns and any other Person who becomes a holder of a 2004 Note, the "2004 Holders") purchased one or more promissory notes dated February 11, 2004 in the aggregate original principal amount of One Hundred Million and no/100 Dollars ($100,000,000.00) (the "2004 Notes"), due February 1, 2024, with interest thereon at the rates set forth in the 2004 Notes and the 2004 Note Agreement;

WHEREAS, Mortgagor has entered into an Amended and Restated Mortgage and Security Agreement (the "2004 Mortgage"), dated as of February 11, 2004, under which Mortgagor granted to the Mortgagee a security interest in certain property (the "2004 Mortgaged Property") for purposes of securing the 1992 Notes, the 2004 Notes and other obligations of the Mortgagor under the 1992 Notes, the 2004 Notes, the 1992 Note Agreement and the 2004 Note Agreement (the "2004 Obligations");

WHEREAS, Mortgagor has entered into a Note Agreement dated as of May 30, 2008 (the "2008 Note Agreement" and together with the 1992 Note Agreement and the 2004 Note Agreement, the "Note Agreements") under which Prudential (the "2008 Purchaser" and, together with its successors and assigns and any other Person who becomes a holder of a 2008-A Note or

a 2008-B Note (as hereinafter defined), the "2008 Holders" and together with the 1992 Holders and the 2004 Holders, the "Holders") (a) purchased one or more promissory notes dated May 30, 2008 in the aggregate original principal amount of $80,000,000 of Mortgagor's 6.06% Senior Secured Notes due June 1, 2018 (the "2008-A Notes") and (b) have agreed to purchase $80,000,000, aggregate original principal of Mortgagor's 6.06% Senior Secured Notes due June 1, 2018 (the "2008-B Notes" and together with the 2008-A Notes, the "2008 Notes;" the 2008 Notes together with the 1992 Notes and the 2004 Notes, the "Notes"), with interest thereon at the rates set forth in the 2008 Notes and the 2008 Note Agreement.

WHEREAS, this Mortgage is required under Paragraph 3H of the Note Agreements, is being granted to and is intended to provide Mortgagee with a valid first priority mortgage and security interest in and to all the real and personal property of Mortgagor as hereinafter described; and

WHEREAS, this Mortgage amends and restates the 2004 Mortgage in order to continue the first priority mortgage security interest for the 2004 Obligations and to provide a first priority mortgage security interest for the 2008 Notes and other obligations of the Mortgagor under the 2008 Notes and the 2008 Note Agreement (the "2008 Obligations"), and as amended and restated the total indebtedness and liabilities that are to be secured by this Mortgage shall be as follows:

(i) the aggregate principal amount of Seventy Eight Million Five Hundred Thousand and no/100 Dollars ($78,500,000.00), with interest thereon according to the terms of the 1992 Notes and the 1992 Note Agreement;

(ii) the aggregate principal amount of One Hundred Million and no/100 Dollars ($100,000,000.00), with interest thereon according to the terms of the 2004 Notes and the 2004 Note Agreement;

(iii) the aggregate principal amount of One Hundred Sixty Million and no/100 Dollars ($160,000,000.00), with interest thereon according to the terms of the 2008 Notes and the 2008 Note Agreement;

(iv) all other amounts payable by or on behalf of Mortgagor, under or in connection with the Notes, this Mortgage, the Note Agreements, the Security Agreement (as defined in the 2008 Note Agreement) and under any other document or instrument executed by or on behalf of Mortgagor (including, without limitation, the "Yield-Maintenance Amount" (as defined in the Note Agreements), securing, evidencing or relating to the Notes or any of the security therefor (the Notes, this Mortgage, the Note Agreements, the Security Agreement and such other documents and instruments being collectively referred to herein as the "Loan Documents"), in each case as the same may be amended, modified or supplemented from time to time, including all sums, amounts and expenses which Mortgagee may advance, pay or incur under or in connection with any of the Loan Documents or any other sums advanced by Mortgagee for the benefit of Mortgagor; and

(v) the performance of all other obligations and liabilities of Mortgagor under or in connection with the Loan Documents;

all such amounts, obligations and liabilities described in (i) through (v) being hereinafter collectively referred to as the "Obligations"); and

WHEREAS, it has been agreed that the payment and performance of the Obligations shall be secured by a mortgage of certain property as hereinafter described.

NOW, THEREFORE, in consideration of the premises and further in consideration of the aforesaid indebtedness, whether now existing or hereafter arising, and for the better securing of the payment thereof, including any renewal, extension or modification thereof and in accordance with Section 29-3-50, as amended, of the Code of Laws of South Carolina (1976); provided, however, that said indebtedness and all other sums secured hereby shall in no event exceed $400,000,000, plus interest thereon and all charges and expenses of collection incurred by Mortgagee, including court costs and attorney's fees and expenses; and also in consideration of the further sum of FIVE DOLLARS ($5.00) to Mortgagor in hand well and truly paid by Mortgagee at and before the sealing and delivery hereof, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the due and punctual payment in full by Mortgagor, whether at stated maturity, by acceleration or otherwise, and performance, of the Obligations, Mortgagor does hereby, give, grant, bargain, sell, warrant, convey, mortgage, transfer, grant a security interest in, set over, deliver, confirm and convey unto Mortgagee, upon the terms and conditions of this Mortgage, the following property described in Granting Clauses FIRST through FIFTH below, and Mortgagor and Mortgagee agree that the 2004 Mortgage is amended and restated in its entirety to read as follows:

GRANTING CLAUSES

All the estate, right, title and interest of Mortgagor in, to and under, or derived from:

GRANTING CLAUSE FIRST
Land

All those certain lots, pieces or parcels of land owned or hereafter acquired by Mortgagor located in the County of Berkeley and the State of South Carolina, as more particularly described in Exhibit A attached hereto, as the description of the same may be amended, modified or supplemented from time to time, and all and singular the reversions or remainders in and to said land and the tenements, hereditaments, transferable development rights, easements (in gross and/or appurtenant), agreements, rights-of-way or use, rights (including alley, drainage, crop, timber, agricultural, horticultural, mineral, mining, water, oil and gas rights and any other rights to produce or share in the production of anything from or attributable thereto), privileges, royalties and appurtenances to said land, now or hereafter belonging or in anywise appertaining thereto, including any such right, title, interest in, to or under any agreement or right granting, conveying or creating, for the benefit of said land, any easement, right or license in any way affecting said land and/or other land and in, to or under any streets, ways, alleys, vaults, gores or strips of land adjoining said land or any parcel thereof, or in or to the air space over said land, all rights of ingress and egress with respect to said land, and all claims or demands of Mortgagor,

either at law or in equity, in possession or expectancy, of, in or to the same (all of the foregoing hereinafter collectively referred to as the "Land").

GRANTING CLAUSE SECOND
Improvements

All buildings, structures, facilities and other improvements now or hereafter located on the Land, and all building material, building equipment, supplies and fixtures of every kind and nature now or hereafter located on the Land or attached to, contained in or used in connection with any such buildings, structures, facilities or other improvements, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, owned or hereafter acquired by Mortgagor or in which Mortgagor has or shall acquire an interest (all of the foregoing hereinafter collectively referred to as the "Improvements").

GRANTING CLAUSE THIRD
Equipment

To the extent that the same are not Improvements, all machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, owned or hereafter acquired by Mortgagor or in which Mortgagor has or shall acquire an interest, wherever situated, and now or hereafter located on, attached to, contained in or used or usable in connection with the properties referred to in Granting Clause FIRST, SECOND or FIFTH, or placed on any part thereof, though not attached thereto (all of the foregoing hereinafter collectively referred to as the "Equipment"), including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stores, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings and fixtures (the Land, the Improvements and the Equipment hereinafter collectively referred to as the "Premises"). Without limitation, Mortgagor hereby grants Mortgagee, a security interest in and to all of Mortgagor's present and future "equipment" (as defined in the Uniform Commercial Code of the State of South Carolina), and Mortgagee shall have, in addition to all rights and remedies provided herein, in the Loan Documents, all of the rights and remedies of a "secured party" under said Uniform Commercial Code. If the lien of this Mortgage is subject to a security interest covering any property described in this Granting Clause THIRD, then all of the right, title and interest of Mortgagor in and to any and all such property is hereby assigned to Mortgagee, together with the benefits of all deposits and payments now or hereafter made thereon by or on behalf of Mortgagor. It is agreed that all Equipment is part and parcel of the Land and the Improvements and appropriated to the use thereof and, whether affixed to the Land and/or the Improvements or not, shall, for purposes of this Mortgage be deemed conclusively to be real estate and mortgaged or otherwise conveyed or encumbered hereby.

GRANTING CLAUSE FOURTH
Leasehold and Other Contractual Interests

All the leases, subleases, lettings and licenses of, and all other contracts, bonds and agreements affecting the Premises and/or any other property or rights conveyed or encumbered hereby, or any part thereof, now or hereafter entered into, and all amendments, modifications, supplements, additions, extensions and renewals thereof (all of the foregoing hereinafter collectively called the "Leases"), and all right, title and interest of Mortgagor thereunder, including cash and securities deposited thereunder (as down payments, security deposits, or otherwise), the right to receive and collect the rents, security deposits, income, proceeds, earnings, royalties, revenues, issues and profits payable thereunder and the rights to enforce, whether at law or in equity or by any other means, all provisions and options thereof or thereunder (all of the foregoing hereinafter collectively called the "Rents"), and the right to apply the same to the payment and performance of the Obligations.

GRANTING CLAUSE FIFTH
After Acquired Property; Proceeds and Awards

Any and all real and personal property (including without limitation property exchanged therefor), of every kind or nature, which may from time to time be subjected to the lien hereof by Mortgagor through a supplement to this Mortgage or otherwise, or by anyone on its behalf or with its consent, or which may come into the possession of or be subject to the control of Mortgagee pursuant to this Mortgage, it being the intention and agreement of Mortgagor that all property hereafter acquired or constructed by Mortgagor shall be subject to the lien and security interest of this Mortgage and shall forthwith upon acquisition or construction thereof by Mortgagor and without any act or deed by Mortgagor be subject to the lien and security agreement of this Mortgage as if such property were now owned by Mortgagor and were specifically described in this Mortgage and conveyed or encumbered hereby or pursuant hereto, and Mortgagee is hereby authorized to receive any and all such property as and for additional security hereunder. All unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Mortgagor, all proceeds (including funds, accounts, deposits, instruments, general intangibles, notes or chattel paper) of the conversion, voluntary or involuntary, of any of the property described in the Granting clauses into cash or other liquidated claims, including proceeds of hazard, title and other insurance and proceeds received pursuant to any sales or rental agreements of Mortgagor in respect of the property described in these Granting Clauses, and all judgments, damages, awards, settlements and compensation (including interest thereon) heretofore or hereafter made to the present and all subsequent owners of the Premises and/or any other property or rights conveyed or encumbered hereby for any injury to or decrease in the value thereof for any reason, or by any governmental or other lawful authority for the taking by eminent domain, condemnation or otherwise of all or any part thereof, including awards for any change of grade of streets (the Premises and all other property and rights described in Granting Clauses THIRD, FOURTH and FIFTH hereafter collectively referred to as the "Mortgaged Property").

TO HAVE AND TO HOLD, subject to the liens permitted by paragraph 6B(1) of the Note Agreements and the matters described in Exhibit B attached hereto (herein collectively referred to as "Permitted Encumbrances") all and singular the Mortgaged Property, whether now

owned or leased or hereafter acquired and whether now or hereafter existing, together with all rights, privileges and appurtenances thereunto belonging, unto Mortgagee, however, for the uses and purposes herein set forth, subject however to the provisions of ARTICLE VII hereof.

AND Mortgagor covenants with and represents and warrants and agrees with Mortgagee as follows:

ARTICLE I

Representations and Warranties of Mortgagor

Mortgagor hereby represents and warrants, in respect of itself and the Mortgaged Property set forth in the Granting Clauses relating to it, as follows:

SECTION 1.01. Warranty of Title. (i) Mortgagor has and will continue to have good, marketable and insurable fee simple title to the Land and Improvements free and clear of all liens, charges and encumbrances of every kind and character, subject only to Permitted Encumbrances; (ii) Mortgagor has and will continue to have full power and lawful authority to encumber and convey the Premises as provided herein; (iii) Mortgagor owns and will own all other Mortgaged Property free and clear of all liens, charges and encumbrances of every kind and character, subject only to Permitted Encumbrances; (iv) this Mortgage is and will continue to remain a valid and enforceable first mortgage lien on and security interest in, the Mortgaged Property, subject only to Permitted Encumbrances; and (v) Mortgagor hereby warrants and will forever warrant and defend such title and the validity, enforceability and priority of the lien and security interest hereof against the claims of all persons and parties whatsoever, provided that none of the foregoing representations are made with respect to the easements identified as Railroad Easement A or Railroad Easement B on Exhibit A attached hereto.

SECTION 1.02. Operation of the Premises. (i) Mortgagor has and will maintain all necessary certificates, licenses, authorizations, registrations, permits and/or approvals necessary for the operation of all or any part of the Premises, and the conduct of Mortgagor's business at the Premises, including, where appropriate, a Permanent Certificate of Occupancy and Board of Fire Underwriters Certificate for those portions of the improvements which have been completed as of the date hereof and all required zoning ordinance, building code, land use, environmental and other similar permits or approvals, all of which as of the date hereof are in full force and effect and not subject to any revocation, amendment, release, suspension or forfeiture, (ii) the Premises and the present and contemplated use and/or occupancy of the Premises comply with and do not conflict with or violate any of the applicable zoning ordinances, building codes, certificates of occupancy, environmental laws and other similar applicable laws and regulations, and (iii) Mortgagor has access from public roads to the Land and the Improvements.

SECTION 1.03. No Actions Pending. There is no action, suit or proceeding, judicial, administrative or otherwise (including any condemnation or similar proceeding), pending or, to the best of Mortgagor's knowledge, threatened or, contemplated against or affecting the Premises.

SECTION 1.04. Status of the Premises. (i) The Premises are not located in an area identified by the Secretary of Housing and Urban Development or a successor thereto as an area having special flood hazards pursuant to the terms of the National Flood Insurance Act of 1968, or the Flood Disaster Protection Act of 1973, as amended, or any successor law, or if the Premises are located in such an area, Mortgagor will obtain and maintain flood insurance for the Premises in the maximum obtainable amount (up to the amount of the Obligations); (ii) the Premises are served by all utilities required for the use thereof as herein contemplated; (iii) all streets necessary to serve the Land and the Improvements for the use thereof as herein contemplated have been completed and are serviceable and have been dedicated or accepted by the appropriate governmental entities; and (iv) the Premises are free from damage caused by fire or other casualty.

ARTICLE II

Covenants of Mortgagor

Mortgagor covenants and agrees, in respect of itself and the Premises set forth in the Granting Clauses relating to it, as follows:

SECTION 2.01. General Covenants.

(a) Further Assurances. Mortgagor will, at Mortgagor's sole cost and expense, (i) promptly correct any defect or error which may be discovered in the contents of the Loan Documents which Mortgagor is a party to or in the execution, acknowledgment or recordation thereof, and (ii) promptly do, execute, acknowledge and deliver, any and all such further acts, deeds, conveyances, mortgages, deeds of trust, trust deeds, assignments, estoppel certificates, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments as are necessary and/or customary from time to time in order to carry out more effectively the purposes of this Mortgage, to subject to the lien and security interest hereby created any of Mortgagor's properties, rights or interests covered or now or hereafter intended to be covered hereby, to perfect and maintain said lien and security interest, and to better assure, convey, grant, assign, transfer and confirm unto Mortgagee the rights granted or now or hereafter intended to be granted to Mortgagee hereunder or under any other instrument executed in connection with this Mortgage or which Mortgagor may be or become bound to convey, mortgage or assign to Mortgagee in order to carry out the intention or facilitate the performance of the provisions of this Mortgage. Not in limitation of the foregoing, Mortgagor, as soon as reasonably possible after the recordation of this mortgage, shall cause Mortgagor's counsel to issue a supplemental title opinion stating that this Mortgage has been properly recorded and indexed so as to constitute due and legal record notice thereof.

(b) Recordation and Re-Recordation of Mortgage. Mortgagor will promptly record and re-record, file and refile and register and re-register this Mortgage, any financing or continuation statements and every other instrument in addition or supplemental to any thereof that shall be required by any present or future law in order to perfect and maintain the validity, effectiveness and priority of this Mortgage and the lien and security interest intended to be created hereby, or to subject after-acquired property of Mortgagor to such lien and security interest, in such manner and places and within such times as may be necessary to accomplish

such purposes and to preserve and protect the rights and remedies of Mortgagee. Mortgagor will furnish Mortgagee evidence satisfactory to Mortgagee of every such recording, filing or registration. Mortgagee may, at Mortgagor's sole expense, but shall have no obligation to, file copies or reproductions of this instrument as financing statements at any time and from time to time at Mortgagee's option without further authorization from Mortgagor.

(c) Defense of Title and Litigation. If the lien, security interest, validity, enforceability or priority of this Mortgage, or if title or any of the rights of Mortgagor or Mortgagee in or to the Mortgaged Property, shall be endangered or questioned, or shall be attacked directly or indirectly, or if any action or proceeding is instituted against Mortgagor or Mortgagee with respect thereto, Mortgagor will promptly notify Mortgagee thereof, in writing, and will diligently endeavor to cure any defect which may be developed or claimed, and will take all necessary and proper steps for the defense of such action or proceeding, including the employment of counsel and other experts, the prosecution or defense of litigation and, subject to Mortgagee's approval, the compromise, release or discharge of any and all adverse claims. Mortgagee (whether or not named as a party to such actions or proceedings) is hereby authorized and empowered (but shall not be obligated) to take such additional steps as it may deem necessary or proper for the defense of any such action or proceeding or the protection of the lien, security interest, validity, enforceability or priority of this Mortgage or of such title or rights, including the employment of counsel and other experts, the prosecution or defense of litigation, the compromise, release or discharge of such adverse claims, the purchase of any tax title and the removal of such prior liens and security interests. Mortgagor shall, on demand, promptly reimburse Mortgagee for all expenses (including attorneys' fees and disbursements) incurred by it in connection with the foregoing matters. All such costs and expenses of Mortgagee, until reimbursed by Mortgagor, shall be part of the obligations and shall be and shall be deemed to be secured by this Mortgage.

SECTION 2.02. Operation and Maintenance.

(a) Repair and Maintenance. Mortgagor will operate and maintain the Land, the Improvements and the Equipment in good order, repair and operating condition, will promptly make all necessary repairs, renewals, replacements, additions and improvements thereto, interior and exterior, structural and nonstructural, foreseen and unforeseen, or otherwise necessary to insure that the same as part of the security under this Mortgage shall not in any way be diminished or impaired, and will not cause or allow any of the Land, the Improvements and/or the Equipment to be misused or wasted or to deteriorate. No part of the Improvements shall be removed, demolished or structurally or materially altered without Mortgagee's consent, except (i) in connection with the ordinary operation of the Mortgaged Property or (ii) to the extent necessary such that the Mortgaged Property is in compliance with all applicable laws. No new building, structure, facility or other improvement shall be constructed on the Land without Mortgagee's written consent, except in connection with the ordinary operation of the Mortgaged Property and provided the cost of any single improvement shall not (unless any such new building, structure, facility or other improvement is necessary such that the Mortgaged Property is in compliance with all applicable laws) exceed $20,000,000.00.

(b) Replacement of Equipment. Mortgagor will keep the Land and the Improvements fully equipped and, to the extent necessary in order that the operation and maintenance of the

Mortgaged Property with the Mortgaged Property, considered as an operating system or systems, may be conducted in accordance with standard industry practices, will replace all worn out or obsolete Equipment with appropriate fixtures and personal property, and will not, without Mortgagee's written consent, remove from the Land or the Improvements any fixtures or personalty covered by this Mortgage unless the same is replaced by Mortgagor with an article of equal suitability and value when new, owned by Mortgagor free and clear of any lien or security interest (other than Permitted Encumbrances and the lien created by this Mortgage), except to the extent such removal will not affect the ability to conduct the operation and maintenance of the Mortgaged Property with the Mortgaged Property, considered as an operating system or systems, in accordance with standard industry practice.

(c) Compliance with Laws. Mortgagor will perform and comply promptly with, and cause the Premises to be maintained, used and operated in accordance with, any and all (i) present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental or quasi-governmental authority or agency applicable to the Premises, (ii) similarly applicable orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions, (iii) similarly applicable duties or obligations of any kind proposed under any Permitted Encumbrance or otherwise by law, covenant, condition, agreement (including any socio-economic impact agreement) or easement, public or private, and (iv) policies of insurance at any time in force with respect to the Premises. If Mortgagor receives any notice that Mortgagor or the Premises is in default under or is not in compliance with any of the foregoing, or notice of any proceeding initiated under or with respect to any of the foregoing, Mortgagor will promptly furnish a copy of such notice to Mortgagee.

(d) Zoning; Title Matters. Mortgagor will not, without the written consent of Mortgagee, (i) initiate or support any zoning reclassification of the Land or the Improvements, seek any variance under existing zoning ordinances applicable to the Land or the Improvements or use or permit the use of the Premises in a manner which would result in such use becoming a non-conforming use under applicable zoning ordinances, (ii) modify, amend or supplement any of the Permitted Encumbrances, (iii) impose any restrictive covenants or encumbrances upon the Premises, execute or file any subdivision plat affecting the Land or the Improvements or consent to the annexation of the Land or the Improvements to any municipality or (iv) permit or suffer the Premises to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement.

SECTION 2.03. Insurance.

(a) Maintenance of Insurance. Mortgagor will keep the Premises insured for the benefit of Mortgagee with responsible and reputable insurance companies or associations in such amounts and covering such risks as usually carried by companies engaged in similar businesses and owning similar properties in the same general area in which Mortgagor operates.

(b) Insurance Certificates. Certificates of insurance evidencing the insurance required under this Section shall be provided to the Mortgagee. Certificates of insurance evidencing all renewal policies shall be provided to the Mortgagee within thirty (30) days following the issuance of such policy. All such certificates shall be from the Mortgagor's

independent insurance agent evidencing that such policies are in full force and effect and containing information which, in Mortgagee's reasonable judgment, is sufficient to allow Mortgagee to determine whether such policies comply with the requirements of this Section.

(c) No Separate Insurance. Mortgagor shall not carry separate or additional insurance concurrent in form or contribution in the event of loss with that required under this Section unless endorsed in favor of Mortgagee in accordance with the requirements of this Section.

(d) Transfer of Title. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Premises in extinguishment, in whole or in part, of the Obligations, all right, title and interest of Mortgagor in and to all policies of insurance required under this Section or otherwise then in force with respect to the Premises and all proceeds payable thereunder and unearned premiums thereon shall immediately vest in the purchaser or other transferee of the Premises.

SECTION 2.04. Damage and Destruction.

(a) Mortgagor's Obligations. In the event of any damage to or loss or destruction of the Premises, Mortgagor shall (i) promptly notify Mortgagee, in writing, of such event and take such steps as shall be necessary to preserve any undamaged portion of the Premises and (ii) unless otherwise instructed by Mortgagee, shall, regardless whether the insurance proceeds, if any, shall be sufficient for the purpose or shall be otherwise applied by Mortgagee as provided herein, promptly (and, in any event, prior to the date on which any tenant under any Lease shall be entitled to cancel or terminate said Lease because of any such damage, loss or destruction) commence and diligently pursue to completion the restoration, replacement and rebuilding of the Premises as nearly as possible to their value, condition and character immediately prior to such damage, loss or destruction and in accordance with plans and specifications approved, and with other provisions for the reservation of the security hereunder established, by Mortgagee.

(b) Mortgagee's Rights; Application of Proceeds. In the event that any portion of the Premises is so damaged, destroyed or lost, and such damage, destruction or loss is covered, in whole or in part, by insurance described in Section 2.03 above, (i) Mortgagee may, but shall not be obligated to, make proof of loss if not made promptly by Mortgagor and is hereby authorized and empowered by Mortgagor to settle, adjust or compromise any claims for damage, destruction or loss thereunder, and each insurance company concerned is hereby authorized and directed to make payment therefor directly to Mortgagee, and (ii) Mortgagee shall have the right to apply the insurance proceeds, first, to reimburse Mortgagee for all costs and expenses, including adjustors' and attorneys' fees and disbursements, incurred in connection with the collection of such proceeds, and, second, the remainder of such proceeds shall be applied, at Mortgagee's option (as directed by the Holders), in payment of all or any part of the Obligations, in the order and manner determined by Mortgagee (provided that to the extent that any obligations shall remain outstanding after such application, such unpaid obligations shall continue in full force and effect and Mortgagor shall not be excused in the payment thereof), or to the cure of any then current default hereunder, or to the restoration, replacement or rebuilding, in whole or in part, of the portion of the Premises so damaged, destroyed or lost, provided that any insurance proceeds held by Mortgagee to be applied to the restoration, replacement or rebuilding of the Premises shall be so held without payment or allowance of interest thereon and shall be paid out from time

to time upon compliance by Mortgagor with such provisions and requirements as may be imposed by Mortgagee. In the event that Mortgagor shall have received all or any portion of such insurance proceeds or any other proceeds in respect of such damage, destruction or loss, Mortgagor, upon demand from Mortgagee, shall pay to Mortgagee an amount equal to the amount so received by Mortgagor, to be applied as Mortgagee shall have the right pursuant to clause (ii) of the immediately preceding sentence. Notwithstanding anything herein or at law or in equity to the contrary, none of the insurance proceeds or payments in lieu thereof paid to Mortgagee as herein provided shall be deemed trust funds and Mortgagee shall be entitled to dispose of such proceeds as provided in this Section and Section 2.03. Mortgagor expressly assumes all risk of loss, including a decrease in the use, enjoyment or value, of the Premises from any casualty whatsoever, whether or not insurable or insured against. Notwithstanding anything herein contained to the contrary, in the event any casualty results in damage, destruction or loss not exceeding $50,000,000 to repair or rebuild, the insurance proceeds relating to such damage, destruction or loss shall be paid to Mortgagor for use in replacing or restoring the Mortgaged Property to a condition satisfactory to the Mortgagee, provided that on the date of such payment (i) no "Default" or "Event of Default" (as defined in either Note Agreement) has occurred and is continuing, (ii) the SCANA Guarantee (as defined in the Note Agreements) has not been terminated and (iii) no event or condition exists that would have a material adverse effect on the ability of the Mortgagor to repay the Notes or perform under the Loan Documents.

SECTION 2.05. Condemnation.

(a) Mortgagor's Obligations; Proceedings. Mortgagor, promptly upon obtaining knowledge of any pending or threatened institution of any proceedings for the condemnation of the Premises, or any part or interest therein, or of any right of eminent domain, or of any other proceedings arising out of injury or damage to or decrease in the value of the Premises (including a change in grade of any street), or any part thereof or interest therein, will notify Mortgagee, in writing, of the threat or pendency thereof. Mortgagee may, but shall have no obligation to, participate in any such proceedings, and Mortgagor from time to time will execute and deliver to Mortgagee all instruments requested by Mortgagee or as may be required to permit such participation. Mortgagor shall, at its expense, diligently prosecute any such proceedings, shall deliver to Mortgagee copies of all papers served in connection therewith and shall consult and cooperate with Mortgagee, its attorneys and agents, in the carrying on and defense of any such proceedings; provided that no settlement of any such proceeding shall be made by Mortgagor without Mortgagee's written consent.

(b) Mortgagee's Rights to Proceeds. All proceeds of condemnation awards or proceeds of sale in lieu of condemnation, and all judgments, decrees and awards for injury or damage to the Premises are hereby assigned and shall be paid to Mortgagee. Mortgagor agrees to execute and deliver such further assignments thereof as Mortgagee may request and authorizes Mortgagee to collect and receive the same, to give receipts and acquittances therefor, and to appeal from any such judgment, decree or award. Mortgagee shall in no event be liable or responsible for failure to collect, or exercise diligence in the collection of, any of the same. Notwithstanding anything herein contained to the contrary, if the amount of any such condemnation award or proceeds in lieu of condemnation or judgment, decree or award for injury or damage to the Premises is less than $5,000,000, such amount shall be paid to

Mortgagor, provided that on the date of such payment (i) no Default or Event of Default has occurred and is continuing, (ii) the SCANA Guarantee has not been terminated and (iii) no event or condition exists that would have a material adverse effect on the ability of the Mortgagor to repay the Notes or perform under the Loan Documents.

(c) Application of Proceeds. Mortgagee shall have the right to apply any proceeds, judgments, decrees or awards referred to in subsection (b) of this Section, first, to reimburse Mortgagee for all costs and expenses, including reasonable attorneys' fees and disbursements, and disbursements incurred in connection with the proceeding in question or the collection of such amounts, and, second, the remainder thereof as provided in Section 2.04(b) for insurance proceeds held by Mortgagee. In the event that Mortgagor shall have received all or any portion of such proceeds, judgments, decrees or, awards, Mortgagor shall pay to Mortgagee an amount equal to the amount so received by Mortgagor, to be applied as Mortgagee shall have the right pursuant to this subsection. Notwithstanding anything herein or at law or in equity to the contrary, none of the proceeds, judgments, decrees or awards or payments in lieu thereof paid to Mortgagee as herein provided shall be deemed trust funds and Mortgagee shall be entitled to dispose of such proceeds as provided in this Section.

(d) Effect on the Indebtedness. Notwithstanding any condemnation, taking or other proceeding referred to in this section causing injury to or decrease in value of the Premises (including a change in grade of any street), or any interest herein, Mortgagor shall continue to pay and perform the Obligations as provided herein. Any reduction in the obligations resulting from such application shall be deemed to take effect only on the date of receipt by Mortgagee of such proceeds, judgments, decrees or awards and application against the Obligations, provided that if prior to the receipt by Mortgagee of such proceeds, judgments, decrees or awards the Mortgaged Property shall have been sold on foreclosure of this Mortgage, or shall have been transferred by deed in lieu of foreclosure of this Mortgage, Mortgagee shall have the right to receive the same to the extent of any deficiency found to be due upon such sale, with legal interest thereon together with attorneys' fees and disbursements incurred by Mortgagee in connection with the collection thereof.

SECTION 2.06. Liens and Liabilities.

(a) Discharge of Liens. Mortgagor will pay, bond or otherwise discharge, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property, or on the revenues, rents, issues, income or profits arising therefrom and, in general, Mortgagor shall do, or cause to be done, at Mortgagor's sole cost and expense, everything necessary to fully preserve the lien and priority of this Mortgage.

(b) Creation of Liens. Mortgagor will not, without Mortgagee's written consent, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, trust deed, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for Impositions (as hereinafter defined) which are not yet due and payable), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Mortgaged Property, prior to, on a parity with or subordinate to the lien of this Mortgage, other than

Permitted Encumbrances. If any of the foregoing becomes attached to the Premises without such consent, Mortgagor will promptly cause the same to be discharged and released.

(c) No Consent. Nothing in the Loan Documents shall be deemed or construed in any way as constituting the consent or request by Mortgagee, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any material for any improvement, construction, alteration or repair of the Premises. Mortgagor further agrees that Mortgagee does not stand in any fiduciary relation to Mortgagor.

SECTION 2.07. Taxes and Other Charges.

(a) Taxes on the Premises. Mortgagor will promptly pay when due and before any penalty, interest or cost for non-payment thereof may be added thereto, all taxes, assessments, vault, water and sewer rents, rates, charges and assessments, levies, permits, inspection and license fees and other governmental and quasigovernmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, heretofore or hereafter assessed, levied or otherwise imposed against or upon, or which may become a lien upon, the Premises, the revenues, rents, issues, income and profits of the Premises or arising in respect of the occupancy, use or possession thereof (collectively, "Impositions"). Mortgagor will also pay any penalty, interest or cost for nonpayment of Impositions which may become due and payable, and such penalties, interest or cost shall be included within the term Impositions.

(b) Receipts. Unless Mortgagor is making monthly deposits pursuant to Section 2.08 or unless Mortgagee otherwise directs, Mortgagor will furnish to Mortgagee an officer's certificate on an annual basis within 120 days after the end of each fiscal year of the Company certifying as to payment in full of all Impositions (and, upon request of the Mortgagee, Mortgagor will furnish to Mortgagee validated receipts showing payment in full of all Impositions).

(c) Income and Other Taxes Imposed on Mortgagor. Mortgagor will promptly pay all income, franchise and other taxes owing by Mortgagor and nonpayment of which would result in a lien against the Premises or otherwise diminish or impair the security of this Mortgage, and any stamp taxes which may be required to be paid in connection with this Mortgage, together with any interest or penalties thereon.

(d) Recording Fees and Other Taxes Imposed on Mortgagee. Mortgagor will pay any and all taxes, charges, filing, registration and recording fees, excises and levies (other than income, franchise and doing business taxes) imposed upon Mortgagee by reason of or in connection with the execution, delivery and/or recording of the Loan Documents or the ownership of this Mortgage or any mortgage supplemental hereto, any security instrument with respect to any Equipment or any instrument of further assurance, and shall pay all corporate stamp and other taxes required to be paid in connection with the obligations.

(e) Brundage Clause. In the event of the enactment of or change in (including a change in interpretation of) any applicable law (1) deducting or allowing Mortgagor to deduct from the value of the Premises for the purpose of taxation any lien or security interest thereon, or

(2) imposing, modifying or deeming applicable any reserve or special requirement against deposits in or for the account of, or loans by, or other liabilities of, or other assets held by Mortgagee or (3) subjecting Mortgagee to any tax or changing in any way the laws for the taxation of mortgages, deeds of trust, trust deeds or other liens or debts secured thereby, or the manner of collection of such taxes, in each such case, so as to affect this Mortgage, the obligations or Mortgagee, and the result is to increase the taxes imposed upon or the cost to Mortgagee or to reduce the amount of any payments receivable hereunder, then, and in any such event, Mortgagor shall, on demand, promptly pay to Mortgagee additional amounts to compensate for such increased costs or reduced amounts, provided that Mortgagor shall have the right to prepay the Obligations, or any portion thereof, in accordance with the provisions of the Note Agreements, and, provided, further, that if any such payment or reimbursement shall be unlawful or would constitute usury or render the Obligations wholly or partially usurious under applicable law, then Mortgagee may, at its option, declare the Obligations immediately due and payable or require Mortgagor to pay or reimburse Mortgagee for payment of the lawful and non-usurious portion thereof.

(f) Right to Contest. Notwithstanding anything to the contrary contained in this Section, Mortgagor shall have the right to contest in good faith any Imposition imposed on the Premises, provided that and so long as (i) the same is done by Mortgagor upon prior written notice to Mortgagee and at Mortgagor's sole cost and expense and with due diligence and continuity so as to resolve such contest as promptly as possible; (ii) the Premises will not be in immediate danger of being forfeited or lost by reason of such contest; (iii) such contest shall not subject Mortgagee to prosecution for a criminal offense or a claim for civil liability; (iv) Mortgagor shall establish a reserve or other security with Mortgagee in an amount and in form and substance satisfactory to Mortgagee for application toward the cost of curing or removing the same from record pursuant to clause (v) below; (v) in any event, each such contest shall be concluded and the tax assessment, penalties, interest and cost shall be paid prior to the date such judgment becomes final or any writ or order is issued under which the Premises may be sold pursuant to such judgment; and (vi) Mortgagor agrees in writing to indemnify and hold harmless Mortgagee from and against any and all expenses, claims, demands, obligations, liabilities, suits, actions and penalties upon or arising out of such contest. Pending the determination of any such contest, Mortgagor shall not be obligated to pay any such Imposition unless non-payment of such Imposition will subject the Premises to sale or other liability or forfeit by reason of non-payment. In addition, to the extent that the same may be permitted by law, Mortgagor shall have the right to apply for the conversion of any Imposition to make the same payable in annual installments over a period of years, and upon such conversion Mortgagor shall be obligated only to pay and discharge said periodic installments as required by this Section.

SECTION 2.08. Tax and Insurance Deposits. In the event of and during the continuance of any Event of Default or of failure to make payments required under Sections 2.03 and 2.07, then Mortgagee, at its option, may require that Mortgagor deposit with Mortgagee or any designee, amounts sufficient to pay Impositions and premiums for insurance and required under Section 2.03, such deposit to be on such terms and conditions as Mortgagee may reasonably designate.

SECTION 2.09. Inspection. Mortgagor will allow Mortgagee and its authorized representatives to enter upon and inspect the Premises at all reasonable times and will assist Mortgagee and such representatives in effecting said inspection.

SECTION 2.10. Records, Reports and Audits.

(a) Maintenance of Records. Mortgagor shall keep and maintain complete and accurate books and records in which full and correct entries shall be made with respect to all operations of or transactions involving the Premises in accordance with sound accounting principles.

(b) Inspection of Records. Mortgagor will allow Mortgagee or its authorized representatives to examine and make copies of all such books and records and all supporting data therefor at Mortgagor's principal place of business during normal business hours. Mortgagor will assist Mortgagee or such representative in effecting such examination.

SECTION 2.11. Mortgagor's Certificates. Mortgagor, within ten (10) days after Mortgagee's request, shall furnish to Mortgagee a written statement, duly acknowledged, certifying to Mortgagee and/or any proposed assignee of this Mortgage, as to (a) the amount of the obligations then owing under this Mortgage, (b) the terms of payment and maturity date of the Obligations, (c) the date to which interest has been paid under the Notes, (d) whether any offsets or defenses exist against the Obligations and, if any are alleged to exist, a detailed description thereof, and (e) as to any other matters reasonably requested by Mortgagee and reasonably related to the Leases (as hereinafter defined), the Obligations, the Mortgaged Property or this Mortgage.

ARTICLE III

Rents and Leases

SECTION 3.01. Entering Into and Assignment. Mortgagor hereby warrants and represents to Mortgagee that there are no leases, rental agreements, or any other kinds of agreements, other than the Operating Agreement (as defined in the Note Agreements) and except for such agreements identified as Exhibit B hereto as Permitted Encumbrances, (collectively, "Leases") granting any rights to tenants or any other person or entity, presently in effect with respect to the Premises, nor are any such Leases or similar agreements contemplated. Mortgagor hereby covenants and agrees with Mortgagee that Mortgagor will not enter into or modify any Leases or similar agreements affecting the Premises, or any portions thereof, without the prior written consent of Mortgagee. In the event Mortgagor with the consent of Mortgagee enters into any such leases or agreements, Mortgagor shall execute and deliver unto Mortgagee such assignments thereof, and the rentals coming due thereunder as Mortgagee may require, in form and substance satisfactory to Mortgagee.

ARTICLE IV

Additional Advances; Expenses; Indemnity

SECTION 4.01. Additional Advances and Disbursements. Mortgagor agrees that, if Mortgagor shall default in any of its obligations hereunder to pay any amount or to perform any action, including its obligation under Section 2.07 to pay Impositions and under Section 2.03 to procure, maintain and pay premiums on the insurance policies referred to therein, then Mortgagee shall have the right, but not the obligation, in Mortgagor's name or in its own name, and without notice to Mortgagor, to advance all or any part of such amounts or to perform any or all such actions, and, for such purpose, Mortgagor expressly grants to Mortgagee, in addition and without prejudice or any other rights and remedies hereunder, the right to enter upon and take possession of the Premises to such extent and as often as it may deem necessary or desirable to prevent or remedy any such default. No such advance or performance shall be deemed to have cured such default by Mortgagor or any Event of Default with respect thereto. All sums advanced and all expenses incurred by Mortgagee in connection with such advances or actions, and all other sums advanced or expenses incurred by Mortgagee hereunder or under applicable law (whether required or optional and whether indemnified hereunder or not) shall be part of the Obligations, shall bear interest at the rate stated in the Notes for overdue principal amounts and shall be secured by this Mortgage and the Security Agreement. Mortgagee, upon making any such advance, shall be subrogated to all of the rights of the person receiving such advance.

SECTION 4.02. Other Expenses.

(a) Mortgagor will pay or, on demand, reimburse Mortgagee for the payment of, all appraisal fees, recording and filing fees, taxes, brokerage fees and commissions, abstract fees, title insurance premiums and fees, Uniform Commercial Code search fees, escrow fees, reasonable attorneys' fees and disbursements and all other costs and expenses of every character incurred by Mortgagor or Mortgagee in connection with the granting, enforcement and closing (including the preparation of the Loan Documents) of the transactions contemplated hereunder or under the other Loan Documents, or otherwise attributable or chargeable to Mortgagor as owner of the Mortgaged Property.

(b) Mortgagor will pay or, on demand, reimburse Mortgagee for the payment of any costs or expenses (including reasonable attorneys' fees and disbursements) incurred or expended in connection with or incidental to (i) any Event of Default or any other default by Mortgagor hereunder or (ii) the exercise or enforcement by or on behalf of Mortgagee of any of its rights or remedies or Mortgagor's obligations under this Mortgage or under the other Loan Documents, including the enforcement, compromise or settlement of this Mortgage or the obligations or the defense, assertion of the rights and claims of Mortgagee hereunder in respect thereof, any litigation or otherwise.

SECTION 4.03. Indemnity.

(a) Mortgagor agrees to indemnify and hold harmless Mortgagee from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including reasonable attorneys' fees and disbursements) which may

be imposed on, incurred or paid by or asserted against Mortgagee by reason or on account of, or in connection with, (i) any Event of Default or any other default by Mortgagor hereunder, (ii) Mortgagee's exercise of any of its rights and remedies, or the performance of any of its duties, hereunder or under the other Loan Documents to which Mortgagor is a party, (iii) the construction, reconstruction or alteration of the Premises, (iv) any negligence or willful misconduct of Mortgagor, any lessee of the Premises, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees, (v) any accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto or (vi) any other transaction arising out of or in any way connected with the Premises or the Loan Documents, except for the willful misconduct or gross negligence of the indemnified person. Any amount payable to Mortgagee under this Section shall be deemed a demand obligation, shall be part of the Obligations, shall bear interest at the rate stated in the Notes for overdue principal amounts and shall be secured by this Mortgage and the Security Agreement.

(b) Mortgagor's obligations under this Section shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal by any insurance carrier to perform any obligation on its part under any such policy of covering insurance. If any claim, action or proceeding is made or brought against Mortgagee which is subject to the indemnity set forth in this Section, Mortgagor shall resist or defend against the same, if necessary in the name of Mortgagee, by attorneys for Mortgagor's insurance carrier (if the same is covered by insurance) or otherwise by attorneys approved by Mortgagee. Notwithstanding the foregoing, Mortgagee, in its discretion, may engage its own attorneys to resist or defend, or assist therein, and Mortgagor shall pay, or, on demand, shall reimburse Mortgagee for the payment of, the fees and disbursements of said attorneys.

SECTION 4.04. Interest After Default. If any payment due hereunder is not paid in full when due, whether on any stated due date, any accelerated due date or on demand or at any other time specified under any of the provisions hereof or thereof, then the same shall bear interest hereunder at 2.0% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate (the "Default Rate") for overdue principal amounts from the due date until paid, and such interest shall be added to and become a part of the obligations and shall be secured hereby and the Security Agreement.

ARTICLE V

Sale or Transfer of the Premises

SECTION 5.01. Continuous Ownership. Mortgagor acknowledges that the continuous ownership of the Premises by Mortgagor is of a material nature to the transaction hereinabove described and Mortgagee's agreement to create the Obligations. Mortgagor agrees that, except as otherwise permitted by Paragraph 6B(3) of the Note Agreements, Mortgagor will not sell, lease, transfer or otherwise dispose of the Premises, or any legal, beneficial or equitable interest therein.

ARTICLE VI

Defaults and Remedies

SECTION 6.01. Events of Default. The term " Event of Default" shall mean the occurrence of any of the following events:

(a) if Mortgagor abandons the Premises or ceases to do business or terminates its business for any reason whatsoever; or

(b) if the Premises shall be taken, attached or sequestered on execution or other process of law in any action against Mortgagor; or

(c) if there shall have occurred any default, event of default or non-performance under the terms of any of the Leases by Mortgagor, which default, event of default or non-performance shall not have been cured within any applicable grace period therefor under the applicable Lease; or

(d) if Mortgagor shall fail at any time to obtain, provide, maintain, keep in force or deliver to Mortgagee the insurance policies required by Section 2.03 hereof and such failure shall continue for five (5) days after written notice; or

(e) if any claim of priority (except a claim based upon a Permitted Encumbrance) to this Mortgage or any other document or instrument securing the Obligations by title, lien or otherwise shall be upheld by any court of competent jurisdiction or shall be consented to by Mortgagor; or

(f) if there shall occur, in Mortgagee's sole and reasonable judgment, any material adverse change in the financial position or condition of Mortgagor.

SECTION 6.02. Remedies. Upon the occurrence of any one or more Events of Default, Mortgagee may (but shall not be obligated), in addition to any rights or remedies available to it hereunder or under the other Loan Documents, take such action personally or by its agents or attorneys, with or without entry, and without notice, demand, presentment or protest (each and all of which are hereby waived) as it deems necessary or advisable to protect and enforce Mortgagee's rights and remedies against Mortgagor and in and to the Mortgaged Property, including the following actions, each of which may be pursued, concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting its rights or remedies:

(a) institute a proceeding or proceedings, judicial or otherwise, for the complete foreclosure of this Mortgage under any applicable provision of law; or

(b) institute a proceeding or proceedings for the partial foreclosure of this Mortgage under any applicable provision of law for the portion of the Obligations then due and payable, subject to the lien of this Mortgage continuing unimpaired and without loss of priority so as to secure the balance of the Obligations not then due and payable; or

(c) cause any or all of the Mortgaged Property to be sold under the power of sale granted by this Mortgage in any manner permitted by applicable law. For any sale under the power of sale granted by this Mortgage, Mortgagee must record and give all notices required by law and then, upon the expiration of such time as is required by law, may sell the Mortgaged Property, and all estate, right, title, interest, claim and demand of Mortgagor therein, and all rights of redemption thereof, at one or more sales, as an entirety or in parcels, with such elements of real and/or personal property (and, to the extent permitted by applicable law, may elect to deem all of the Mortgaged Property to be real property for purposes thereof), and at such time or place and upon such terms as Mortgagee may deem expedient, or as may be required by applicable law. Upon any sale, Mortgagee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property sold, but without any covenant or warranty, express or implied, and the recitals in the deed or deeds of any facts affecting the regularity or validity of the sale will be conclusive against all persons. In the event of a sale, by foreclosures or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Mortgaged Property; or

(d) institute an action, suit or proceeding in equity for the specific performance of any of the provisions contained in the Loan Documents; or

(e) apply for the appointment of a receiver, custodian, trustee, liquidator or conservator of the Mortgaged Property, to be vested with the fullest powers permitted under applicable law, as a matter of right and without regard to or the necessity to disprove the adequacy of the security for the Obligations or the solvency of Mortgagor or any other person liable for the payment of the obligations, and Mortgagor and such other person so liable waives or shall be deemed to have waived such necessity and consents or shall be deemed to have consented to such appointment; or

(f) subject to the provisions and restrictions of any applicable law, enter upon the Premises, and exclude Mortgagor and its agents and servants wholly therefrom, without liability for trespass, damages or otherwise, and take possession of all books, records and accounts relating thereto and all other Mortgaged Property, and Mortgagor agrees to surrender possession of the Mortgaged Property and of such books, records and accounts to Mortgagor on demand after the happening of any Event of Default; and having and holding the same may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers, without interference from Mortgagor; and upon each such entry and from time to time thereafter may, at the expense of Mortgagor and the Mortgaged Property, without interference by Mortgagor and as Mortgagee may deem advisable, (i) either by purchase, repair or construction, maintain and restore the Premises, (ii) insure or reinsure the same, (iii) make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon, (iv) complete the construction of the Improvements and, in the course of such completion, may make such changes in the contemplated or completed improvements as it may deem advisable, (v) in every such case in connection with the foregoing have the right to exercise all rights and powers of Mortgagor with respect to the Mortgaged Property, either in Mortgagor's name or otherwise, including the right to make, terminate, cancel, enforce or modify Leases, obtain and evict tenants and subtenants on such terms as Mortgagee shall deem advisable and to take any actions described in subsection (h) of this Section; or

(g) subject to the provisions and restrictions of any applicable law, may, with or without the entrance upon the Premises, collect, receive, sue for and recover in its own name all amounts and cash collateral derived from the Premises, and after deducting therefrom all costs, expenses and liabilities of every character incurred by Mortgagee in collecting the same and in using, operating, managing, preserving and controlling the Premises, and otherwise in exercising Mortgagee's rights under subsection (f) of this Section, including all amounts necessary to pay Impositions, insurance premiums and other charges in connection with the Premises, as well as compensation for the services of Mortgagee and its attorneys, agents and employees, to apply the remainder as provided in Section 6.05; or

(h) release any portion of the Mortgaged Property for such consideration as Mortgagee may require without, as to the remainder of the Mortgaged Property, in any way impairing or affecting the lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Obligations shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienholder; or

(i) may take all actions permitted under the Uniform Commercial Code of the State of South Carolina; or

(j) may take any other action, or pursue any other right or remedy, as Mortgagee may have under applicable law, and Mortgagor does hereby grant the same to Mortgagee.

In the event that Mortgagee shall exercise any of the rights or remedies set forth in subsections (f) and (g) of this Section, Mortgagee shall not be deemed to have entered upon or taken possession of the Mortgaged Property except upon the exercise of its option to do so, evidenced by its demand and overt act for such purpose, nor shall it be deemed a beneficiary or Mortgagee in possession by reason of such entry or taking possession. Mortgagee shall not be liable to account for any action taken pursuant to any such exercise other than for rents actually received by such party, nor liable for any loss sustained by Mortgagor resulting from any failure to let the Premises, or from any other act or omission of Mortgagee except to the extent such loss is caused by the willful misconduct or bad faith of such party. Mortgagor hereby consents to, ratifies and confirms the exercise by Mortgagee of said rights and remedies in this Section, and appoints Mortgagee as its attorney-in-fact, which appointment shall be deemed to be coupled with an interest and irrevocable, for such purposes.

SECTION 6.03. Expenses. In any proceeding, judicial or otherwise, to foreclose this Mortgage or enforce any other remedy of Mortgagee under the Loan Documents, there shall be allowed and included as an addition to and a part of the Obligations in the decree for sale or other judgment or decree all reasonable expenditures and expenses which may be paid or incurred in connection with the exercise by Mortgagee of any of its rights and remedies provided or referred to in Section 6.02, or any comparable provision of any other Loan Document, together with interest thereon at the Default Rate, and the same shall be part of the obligations and shall be secured by this Mortgage.

SECTION 6.04. Rights Pertaining to Sales. Subject to the provisions or other requirements of law, the following provisions shall apply to any sale or sales of the Mortgaged Property under or by virtue of this Article VI, whether made under the power of sale herein granted or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale:

(a) Mortgagee may conduct any number of sales from time to time. The power of sale set forth in Section 6.02(c) hereof shall not be exhausted by any one or more such sales as to any part of the Mortgaged Property which shall not have been sold, nor by any sale which is not completed or is defective in Mortgagee's opinion, until the Obligations shall have been paid in full.

(b) Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice.

(c) After each sale, Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the purchaser or purchasers at such sale a good and sufficient instrument or instruments granting, conveying, assigning and transferring all right, title and interest of Mortgagor in and to the property and rights sold and shall receive the proceeds of said sale or sales and apply the same as herein provided. Mortgagee, is hereby appointed the true and lawful attorney-in-fact of Mortgagor, which appointment is irrevocable and shall be deemed to be coupled with an interest, in Mortgagor's name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the property and rights so sold, and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with like power, Mortgagor hereby ratifying and confirming all that said attorney or such substitute or substitutes shall lawfully do by virtue thereof. Nevertheless, Mortgagor, if requested by Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or such purchaser or purchasers all such instruments as may be advisable, in Mortgagee's judgment, for the purposes as may be designated in such request.

(d) Any and all statements of fact or other recitals made in any of the instruments referred to in subsection (c) of this Section given by Mortgagee as to nonpayment of the obligations, or as to the occurrence of any Event of Default, or as to Mortgagee having declared all or any of the Obligations to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and of the property or rights to be sold having been duly given, or as to the refusal, failure or inability to act of Mortgagee, or as to the appointment of any substitute or successor Mortgagee, or as to any other act or thing having been duly done by Mortgagor, Mortgagee, or by such Mortgagee, shall be taken as conclusive and binding against all persons as to evidence of the truth of the facts so stated and recited. Mortgagee may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale so held, including the posting of notices and the conduct of sale, but in the name and on behalf of Mortgagee.

(e) The receipt of Mortgagee for the purchase money paid at any such sale, or the receipt of any other person authorized to receive the same, shall be sufficient discharge therefor to any purchaser of any property or rights sold as aforesaid, and no such purchaser, or its representatives, grantees or assigns, after paying such purchase price and receiving such receipt,

shall be bound to see to the application of such purchase price or any part thereof upon or for any trust or purchaser of this Mortgage or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money, or part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(f) Any such sale or sales shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and any and all persons claiming or who may claim the same, or any part thereof or any interest therein, by, through or under Mortgagor to the fullest extent permitted by applicable law.

(g) Upon any such sale or sales, Mortgagee may bid for and acquire the Mortgaged Property and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting against the Obligations the amount of the bid made therefor, after deducting therefrom the expenses of the sale, the cost of any enforcement proceeding hereunder and any other sums which Mortgagee is authorized to deduct under the terms hereof, to the extent necessary to satisfy such bid.

(h) In the event that Mortgagor, or any person claiming by, through or under Mortgagor, shall transfer or refuse or fail to surrender possession of the Mortgaged Property after any sale thereof, then Mortgagor, or such person shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of forcible entry and detainer proceedings, or subject to any other right or remedy available hereunder or under applicable law.

(i) Upon any such sale, it shall not be necessary for Mortgagee or any public officer acting under execution or order of court to have present or constructively in its possession any of the Mortgaged Property.

(j) In the event of any sale referred to in this Section, the entire unpaid balance of the Obligations, if not previously due and payable, immediately thereupon shall, notwithstanding anything to the contrary herein or in the other Loan Documents, become due and payable.

(k) In the event a foreclosure hereunder shall be commenced by Mortgagee, Mortgagee may at any time before the sale of the Mortgaged Property abandon the sale, and may institute suit of this Mortgage, or in the event that Mortgagee should institute a suit for collection of the obligations, and for the foreclosure of this Mortgage, Mortgagee may at any time before the entry of final judgment in said suit dismiss the same and sell the Mortgaged Property in accordance with the provisions of this Mortgage.

SECTION 6.05. Application of Proceeds. The purchase money, proceeds or avails of any sale referred to in Section 6.04, together with any other sums which may be held by Mortgagee hereunder, whether under the provisions of this Article VI or otherwise, shall, except as herein expressly provided to the contrary, be applied as follows:

First: To the payment of the costs and expenses of any such sale, including compensation to Mortgagee, its agents and counsel, and of any judicial proceeding wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Mortgagee hereunder, together with interest

thereon as provided herein, and all taxes, assessments and other charges, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

Second: To the payment in full of the Obligations (including principal, interest, premium and fees) in such order as Mortgagee may elect.

Third: To the payment of any other sums secured hereunder or required to be paid by Mortgagor pursuant to any provision of the Loan Documents.

Fourth: To the extent permitted by applicable law, to be set aside by Mortgagee as adequate security in its judgment for the payment of sums which would have been paid by application under clauses First through Third above to Mortgagee, arising out of an obligation or liability with respect to which Mortgagor has agreed to indemnify Mortgagee, but which sums are not yet due and payable or liquidated.

Fifth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

SECTION 6.06. Additional Provisions as to Remedies.

(a) No right or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and continuing, shall be in addition to every other right or remedy given hereunder, or under the other Loan Documents or now or hereafter existing at law or in equity, and may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

(b) No delay or omission by Mortgagee to exercise any right or remedy hereunder upon any Event of Default or any other default by Mortgagor hereunder shall impair such exercise, or be construed to be a waiver of any such Event of Default or default or an acquiescence therein.

(c) The failure, refusal or waiver by Mortgagee of its right to assert any right or remedy hereunder upon any Event of Default or any other default by Mortgagor hereunder or other occurrence shall not be construed as waiving such right or remedy upon any other or subsequent Event of Default or default or other occurrence.

(d) Mortgagee shall not have any obligation to pursue any rights or remedies it may have under any other agreement prior to pursuing its rights or remedies hereunder or under the other Loan Documents.

(e) No recovery of any judgment by Mortgagee and no levy of an execution upon the Mortgaged Property or any other property of Mortgagor shall affect, in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property, or any liens, rights, powers or remedies of Mortgagee hereunder, and such liens, rights powers and remedies shall continue unimpaired as before.

(f) Mortgagee may resort to any security given by this Mortgage or any other security now given or hereafter existing to secure the Obligations, in whole or in part, in such portions and in such order as Mortgagee may deem advisable, and no such action shall be construed as a waiver of any of the liens, rights or benefits granted hereunder.

(g) Acceptance of any payment after the occurrence of any Event of Default or any other default by Mortgagor hereunder shall not be deemed a waiver or a cure of such Event of Default or default, and acceptance of any payment less than any amount then due shall be deemed an acceptance on account only.

(h) In the event that Mortgagee shall have proceeded to enforce any right or remedy hereunder by foreclosure, sale, entry or otherwise, and such proceeding shall be discontinued, abandoned or determined adversely for any reason, then Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property, subject to the lien hereof.

SECTION 6.07. Waiver of Rights and Defenses. To the full extent Mortgagor may do so, Mortgagor agrees with Mortgagee as follows:

> Mortgagor will not at any time, insist on, plead, claim or take the benefit or advantage of any statute or rule of law now or hereafter in force providing for any appraisement, valuation, stay, extension, moratorium or redemption, or of any statute of limitations, and Mortgagor, for itself and its heirs, devises, representatives, successors and assigns, and for any and all persons ever claiming an interest in the Mortgaged Property (other than Mortgagee), hereby, to the extent permitted by applicable law, waives and releases all rights of redemption, valuation, appraisement, notice of intention to mature or declare due the whole of the Obligations, and all rights to a marshaling of the assets of Mortgagor, including the Mortgaged Property, or to a sale in inverse order of alienation, in the event of foreclosure of the liens and security interest created hereunder.

(a) Mortgagor shall not have or assert any right under any statute or rule of law pertaining to any of the matters set forth in subsection (a) of this Section, to the administration of estates of decedents or to any other matters whatsoever to defeat, reduce or affect any of the rights or remedies of Mortgagee hereunder, including the rights of Mortgagee hereunder to a sale of the Mortgaged Property for the collection of the Obligations without any prior or different resort for collection, or to the payment of the Obligations out of the proceeds of sale of the Mortgaged Property in preference to any other person (other than the holder of any Permitted Encumbrance).

(b) If any statute or rule of law referred to in this Section and now in force, of which Mortgagor or any of its representatives, successors or assigns and such other persons claiming any interest in the Mortgaged Property might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such statute or rule of law shall not thereafter be deemed to preclude the application of this Section.

(c) Mortgagor shall not be relieved of its obligation to pay the Obligations at the time and in the manner provided herein and in the other Loan Documents, nor shall the lien or priority of this Mortgage or any other Loan Documents be impaired by any of the following actions, non-actions or indulgences by Mortgagee:

(i) any failure or refusal by Mortgagee to comply with any request by Mortgagor (X) to consent to any action by Mortgagor or (Y) to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the other Loan Documents;

(ii) any release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the obligations, or any person liable for payment of the Obligations;

(iii) any waiver by Mortgagee of compliance by Mortgagor with any provision of this Mortgage or the other Loan Documents, or consent by Mortgagee to the performance by Mortgagor of any action which would otherwise be prohibited thereunder, or to the failure by Mortgagor to take any action which would otherwise be required hereunder or thereunder; and

(iv) any agreement or stipulation between Mortgagee and Mortgagor, or, with or without Mortgagor's consent, between Mortgagee and any subsequent owner or owners of the Mortgaged Property or any other security for the obligations, renewing, extending or modifying the time of payment or the terms of this Mortgage or any of the other Loan Documents (including a modification of any interest rate), and in any such event Mortgagor shall continue to be obligated to pay the Obligations at the time and in the manner provided herein and in the other Loan Documents, as so renewed, extended or modified, unless expressly released and discharged by Mortgagee.

(d) Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Mortgagee may release any person at any time liable for the payment of the Obligations or any portion thereof or any part of the security held for the Obligations and may extend the time of payment or otherwise modify the terms of this Mortgage or of any of the Loan Documents, including a modification of the interest rate payable on the principal balance of the Notes, without in any manner impairing or affecting this Mortgage or the lien thereof or the priority of this Mortgage, as so extended and modified, as security for the obligations over any such subordinate lien, encumbrance, right, title or interest. Mortgagee may resort for the payment of the Obligations to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take or cause to be taken action to recover the Obligations, or any portion thereof, or to enforce any provision hereof or of the other Loan Documents without prejudice to the right of Mortgagee thereafter to foreclose or cause to be foreclosed this Mortgage. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law or equity. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of

Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

ARTICLE VII

Release of Lien

SECTION 7.01. Release of Lien. If the Obligations shall be fully and finally paid as the same become due and payable, then and in that event only, all rights hereunder (except for the rights and obligations set forth in Section 4.03 hereof, which shall survive the termination of this Mortgage) shall terminate and the Mortgaged Property shall become wholly released and cleared of the liens, security interests, conveyances and assignments evidenced hereby, upon receipt by Mortgagee of evidence satisfactory to it that the foregoing conditions have been satisfied, at Mortgagor's sole cost and expense. In such event Mortgagee shall, at the written request of Mortgagor, promptly deliver to Mortgagor, in recordable form, all such documents (in form and substance reasonably satisfactory to Mortgagee) as shall be necessary to release the Mortgaged Property from the liens, security interests, conveyances and assignments created or evidenced hereby.

ARTICLE VIII

Additional Provisions

SECTION 8.01. Provisions as to Payments, Advances.

(a) To the extent that any part of the Obligations is used to pay indebtedness secured by any Permitted Encumbrance or other outstanding lien, security interest, charge or prior encumbrance against the Mortgaged Property or to pay in whole or in part the purchase price therefor, Mortgagee shall be subrogated to any and all rights, security interests and liens held by any owner or holder of the same, whether or not the same are released. Mortgagor agrees that, in consideration of such payment by Mortgagee, effective upon such payment Mortgagor shall and hereby does waive and release all demands, defenses and causes of action for offsets and payments with respect to the same.

(b) Any payment made under this Mortgage by any person at any time liable for the payment of the Obligations, or by any subsequent owner of the Mortgaged Property, or by any other person whose interest in the Mortgaged Property might be prejudiced in the event of a failure to make such payment, or by any partner, stockholder, officer or director thereof, shall be deemed, as between Mortgagee and all such persons, to have been made on behalf of all such persons.

SECTION 8.02. Separability. If, all or any portion of any provision of this Mortgage or the other Loan Documents shall be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof, and such provision shall be limited and construed in such jurisdiction as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

SECTION 8.03. Notices. Any notice, demand, consent, approval, direction, agreement or other communication (any "notice") provided for hereunder shall be in writing and shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and addressed:

(a) If to Mortgagor, to:

South Carolina Generating Company, Inc.
1426 Main Street
Columbia, South Carolina 29201
Attention: Corporate Treasurer

With a copy to:

South Carolina Electric & Gas Company
1426 Main Street
Columbia, South Carolina 29201
Attention: Corporate Secretary

With a copy to:

South Carolina Electric & Gas Company
1426 Main Street
Columbia, South Carolina 29201
Attention: Corporate Treasurer

(b) If to Mortgagee, to:

The Bank of New York Trust Company, N.A.
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Administration

or, in each case, at such other address as a party shall have specified to the other party in writing: provided, however, that any such communication to the Mortgagor may also, at the option of the Mortgagee, be delivered by any other means either to the Mortgagor at its address specified above or to any officer of the Mortgagor. Any notice which satisfies the foregoing provisions of this Section shall be deemed to have been given for purposes hereof when actually received, or on the 5th business day after deposit in the United States mail in the case of notice by first class mail, or, on the 1st business day after deposit with a nationwide overnight delivery service in the case of notice by nationwide overnight delivery service.

SECTION 8.04. Right to Deal. In the event that ownership of the Mortgaged Property becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage or the Obligations in the same manner as with Mortgagor, without in any way vitiating or discharging

Mortgagor's liability hereunder or for the payment of the Obligations or being deemed a consent to such vesting.

SECTION 8.05. No Merger.

(a) If both the lessor's and the lessee's interest under any Lease shall at any time become vested in any one person, this Mortgage and the lien and security interest created hereby shall not be destroyed or terminated by the application of the doctrine of merger and, in such event, Mortgagee shall continue to have and enjoy all of the rights and privileges of Mortgagee hereunder as to each separate estate.

(b) Upon the foreclosure of the lien created hereby on the Mortgaged Property, as herein provided, any Leases then existing shall not be destroyed or terminated by application of the doctrine of merger or as a matter of law or as a result of such foreclosure unless Mortgagee or any purchaser at a foreclosure sale shall so elect by notice to the lessee in question.

SECTION 8.06. Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the law of the State of South Carolina.

SECTION 8.07. Appointment of Mortgagee. In the event of Mortgagor's failure to act, and after ten (10) days notice in writing by Mortgagee to Mortgagor specifying such failure, Mortgagor hereby appoints Mortgagee as its attorney-in-fact, which appointment is irrevocable and shall be deemed to be coupled with an interest, with respect to the execution, acknowledgement, delivery and filing or recording for and in the name of Mortgagor of any of the documents or instruments referred to in Sections 2.01(b) and 2.01(c).

SECTION 8.08. Sole Discretion of Mortgagee. Except where otherwise expressly provided, whenever Mortgagee's judgment, consent or approval is required hereunder for any matter, or whenever the Mortgagee shall have an option or election hereunder, such judgment, the decision as to whether or not to consent to or approve the same or the exercise of such option or election shall be in the discretion of Mortgagee, acting at the written direction of the Holders. In any such instance, the Mortgagee may, at its option, seek to obtain instructions or directions from the Holders with respect to such action. If the Mortgagee so elects, then it may refrain from taking such action until the requisite directions or instructions under the Collateral Agency Agreement are received and shall have no liability to the Mortgagor or the Holders for so refraining.

SECTION 8.09. Provisions as to Covenants and Agreements. All of Mortgagor's covenants and agreements hereunder shall run with the land and time is of the essence with respect thereto.

SECTION 8.10. Matters to be in Writing. This Mortgage cannot be altered, amended, modified, terminated or discharged except in writing signed by the party against whom enforcement of such alteration, amendment, modification, termination or discharge is sought. No waiver, release or other forbearance by Mortgagee will be effective against Mortgagee unless it is in a writing signed by Mortgagee, and then only to the extent expressly stated.

SECTION 8.11. Construction of Provisions. The following rules of construction shall be applicable for all purposes of this Mortgage and all documents or instruments supplemental hereto, unless the context otherwise requires:

(a) All references herein to numbered Articles of Sections or to lettered Exhibits are references to the Articles and Sections hereof and the Exhibits annexed to this Mortgage, unless expressly otherwise designated in context.

(b) The terms "include", "including" and similar terms shall be construed as if followed by the phrase "without being limited to."

(c) The terms "Mortgaged Property" and "Premises" shall be construed as if followed by the phrase "or any part thereof."

(d) The term "Obligations" shall be construed as if followed by the phrase "or any other sums secured hereby, or any part thereof".

(e) Words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa.

(f) The term "Person" or "person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization and a government or any department or agency thereof.

(g) The term "provisions", when used with respect hereto or to any other document or instrument, shall be construed as if preceded by the phrase "terms, covenants, agreements, requirements, conditions and/or".

(h) All Article, Section and Exhibit captions herein are used for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect, this Mortgage.

(i) No inference in favor of any party shall be drawn from the fact that such party has drafted any portion hereof.

(j) The cover page of and all recitals set forth in, and all Exhibits to, this Mortgage are hereby incorporated in this Mortgage.

(k) All obligations of Mortgagor hereunder shall be performed and satisfied by or on behalf of Mortgagor at Mortgagor's sole cost and expense.

(l) The term "lease" shall mean "tenancy, subtenancy, lease or sublease," the term "lessor" shall mean "landlord, sublandlord, lessor and sublessor" and the term "lessee" shall mean "tenant, subtenant, lessee and sublessee".

SECTION 8.12. Successor and Assigns. The provisions hereof shall be binding upon Mortgagor and the successors and assigns of Mortgagor, including successors in interest of

Mortgagor in and to all or any part of the Mortgaged Property, and shall inure to the benefit of Mortgagee and its successors and assigns (including any "Transferee" (as defined in either Note Agreement). All references in this Mortgage to Mortgagor or Mortgagee shall be construed as including all of such other persons with respect to the person referred to.

SECTION 8.13. Counterparts. This Mortgage may be executed in any number of counterparts with the same effect as if all parties hereto had executed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

SECTION 8.14. No Liability for Clean-up of Hazardous Materials. In the event that Mortgagee is required to acquire title to the Mortgaged Property for any reason, or take any managerial action of any kind in regard thereto, which in Mortgagee's sole discretion may cause Mortgagee to be considered an "owner or operator" under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601, et seq., or otherwise cause Mortgagee to incur liability under CERCLA or any other federal, state or local law, Mortgagee reserves the right, instead of taking such action, to arrange for the transfer of the title or control of the asset to a court-appointed receiver. Mortgagee shall not be liable to Mortgagor, the Holders or any other Person for any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of Mortgagee's actions and conduct as authorized, empowered and directed hereunder or relating to the discharge, release or threatened release of hazardous materials into the environment. If at any time it is necessary or advisable for the Mortgaged Property to be possessed, owned, operated or managed by any Person (including Mortgagee) other than Mortgagor, the Required Holders shall direct Mortgagee to appoint an appropriately qualified Person (excluding Mortgagee) who they shall designate to possess, own, operate or manage, as the case may be, the Mortgaged Property.

SECTION 8.15. Mortgagee. The parties hereto agree that the Mortgagee shall be afforded all of the rights, protections, immunities and privileges afforded to The Bank of New York Trust Company, N.A., as collateral agent (the "Collateral Agent") under the Collateral Agency Agreement, dated as of February 11, 2004, by and among the Holders party thereto and the Collateral Agent, as amended from time to time, in connection with the execution of this Mortgage and the performance of Mortgagee's obligations hereunder.

[Signature pages to follow]

SECTION 8.16. Waiver of Appraisal Rights. Mortgagor specifically waives its right to demand an appraisal pursuant to Section 29-3-680 of the Code of the Laws of South Carolina, 1976, as amended. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, Mortgagee hereby makes the following disclosure to Mortgagor:

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.

IN WITNESS WHEREOF, the undersigned Mortgagor and Mortgagee have caused this Mortgage to be executed the day first set forth above by its heretofore duly authorized officers whose names and titles appear below.

Stamped, sealed and delivered
in the presence of the
following witnesses:

MORTGAGOR:

SOUTH CAROLINA GENERATING
COMPANY, INC.

_____

Name:
Address:

By: _____
Name:
Title:

[Corporate Seal]

_____

Name:
Address:

Address of Mortgagor:

1426 Main Street
Columbia, South Carolina 29201

Executed and delivered
in the presence of the
following witnesses:

MORTGAGEE:

THE BANK OF NEW YORK TRUST
COMPANY, N.A.,
as Collateral Agent

_____

Name:
Address:

By: _____
Name:_____
Title:_____

_____

Name:
Address:

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PROBATE

Personally appeared the undersigned witness, who states on oath that s/he saw South Carolina Generating Company, Inc. by _____, its _____ as its act and deed, sign, seal and deliver the foregoing Mortgage and Security Agreement, and that s/he together with the other witness whose signature appears above witnessed the execution thereof.

_____
Witness

SWORN to and subscribed before me
This ___ day of May, 2008.

_____
Notary Public for South Carolina
My Commission Expires: _____

STATE OF FLORIDA)
)
COUNTY OF _____)

Personally appeared the undersigned witness, who states on oath that s/he saw The Bank of New York Trust Company, N.A. by _____, its _____ as its act and deed, sign, seal and deliver the foregoing Mortgage and Security Agreement, and that s/he together with the other witness whose signature appears above witnessed the execution thereof.

_____
Witness

SWORN to and subscribed before me
This ___ day of May, 2008.

_____
Notary Public for Florida
My Commission Expires: _____

EXHIBIT A

DESCRIPTION OF THE LAND

Tract No. 1

By virtue of an instrument entitled INDENTURE (DEED, ASSIGNMENT AND BILL OF SALE) ("Indenture") between South Carolina Electric & Gas Company (SCE&G), as Grantor, and South Carolina Generating Company, Inc. ("GENCO"), as Grantee, dated December 31, 1984 and recorded December 31, 1984 in the Berkeley County RMC Office in Deed Book A-585 at Page 139, GENCO acquired title to and now owns the lands hereinafter described together with the improvements and facilities located thereon and used for and in the coal-fired steam generation of electricity, all of which are defined in the Indenture, which is incorporated herein by reference, as the "Generating Facilities" and commonly known as the A. M. Williams Station (hereinafter "Williams Station").

All those certain pieces, parcels or tracts of land, with the improvements thereon, situate, lying and being in a development known as Bushy Park in Berkeley County, South Carolina, Parcel A containing 1.30 acres, Parcel B containing 287.17 acres and Parcel C containing 197.54 acres more fully shown and delineated and having the boundaries and measurements shown on the South Carolina Electric & Gas Company Drawing D-19,633, Sheets 5 of 6, dated 11-12-84 (the "Plat"), attached to the Indenture as Exhibit A and Incorporated herein by reference.

DERIVATION: Tract No. 1 is the same property conveyed to GENCO by South Carolina Electric & Gas Company by Indenture recorded in the RMC Office for Berkeley County in Book A-585, Page 139 on December 31, 1984.

TMS No: 237-00-00-03

Tract No. 2

All that certain piece, parcel or tract of land, with the improvements thereon, situate, lying and being in Second St. John's Tax District, MEASURING AND CONTAINING Fifty-Nine and Eighty-Three Hundredths (59.83) Acres, more or less, BUTTING AND BOUNDED, generally, as follows, to wit: on the North along lands of Ebenezer Methodist Church, Joseph L. and Bertha L. Metts, Wendel P. and Doris R. Lambert, Gerald L. and Doris R. Metts, James L. Bennet, Sr., lands now or formerly of Brown and Henry Clark, Jr.; on the East along lands of Berkeley County School District; on the South along lands of William Rentiers and Laura Beasley; on the West by lands the owner of which is not designated on plat, but the property line being approximately along the right-of-way of a county maintained road designated as Oakley Road and the right of way of U. S. Highway 17-A; said tract having such shape, form, courses, distances, buttings, boundaries and delineations as are more fully shown on a plat captioned "PLAT PREPARED FOR SOUTH CAROLINA ELECTRIC & GAS 2nd ST. JOHNS PARRISH LOCATED IN BERKELEY COUNTY, S.C." dated July 27, 1982, prepared by Whitworth & Associates, Inc., a copy of which is recorded in the office of the RMC for

Berkeley County, South Carolina, in Plat Cabinet E, Slide No. 12; reference is hereby craved to said plat and same is made a part and parcel of this description.

DERIVATION: Tract No. 2 is the property conveyed to South Carolina Electric & Gas Company by deed of Monsen and Debacker, a partnership, et al., dated August 27, 1982, recorded in Deed Book A-479 at Page 280.

TMS NO.: 180-00-02-038

Tract No. 3

Parcel A:
All that certain piece, parcel or tract of land together with improvements thereon, situate, lying and being in the County of Berkeley, State of South Carolina, and being shown and designated as "600.000 Acres" on a plat by Engineering, Surveying and Planning, Inc., entitled "Plat showing a 600.00 Acre Tract to be Conveyed to South Carolina Generating Company, Inc. A Portion of Kibblesworth Plantation, dated December 10, 1990 and recorded in Plat Cabinet I, Page 265 in the RMC Office for Berkeley County. Said Property has such size, shape, buttings, boundings and dimensions as will by reference to said plat more fully appear.

Derivation: Tract No. 3, Parcel A, is the same property conveyed to GENCO by deed of Roderick Donald Sanders, et al., recorded in the RMC Office for Berkeley County in Book A-891, Page 298 on December 20, 1990.

TMS No.: 196-00-00-078

SAVE AND EXCEPTING: All that lot, piece or parcel of land situate, lying and being in Berkeley County, South Carolina and described as follows: Commencing at a ½" pin located along the western boundary of the right of way of U. S. Highway 52 2, 249 feet south of the intersection of Oakley Road, the point of beginning; thence running along a curve with a radius of 11285.61 feet, a length of 416.43 feet, a tangent of 208.24 feet, a chord of 416.40 feet, a bearing of south 04 degrees 27 minutes 31 seconds east, and a delta of 02 degrees 06 minutes 51 seconds to an iron rod set; thence turning and running north 86 degrees 35 minutes 54 seconds east a distance of 25.00 feet to an iron rod set; thence turning and running along a curve with a radius of 11310.61 feet, a length of 530.49 feet, a tangent of 265.29 feet, a chord of 530.44 feet, a bearing of south 02 degrees 03 minutes 29 seconds east, and a delta of 02 degrees 41 minutes 14 seconds to an iron rod set; thence turning and running north 88 degrees 31 minutes 45 seconds west a distance of 2613.17 feet to an iron rod set; thence turning and running north 46 degrees 59 minutes 54 seconds west a distance of 1202.37 feet to a 1" iron pipe found; thence turning and running north 89 degrees 03 minutes 00 seconds east a distance of 2375.53 feet to a #4 rebar found; thence turning and running north 89 degrees 02 minutes 56 seconds east a distance of 1040.20 feet to a ½" pipe found, the point of beginning. Said parcel being more particularly shown and depicted on a plat prepared by Robert David Branton, PLS & PE, entitled "PLAT OF A 61.13 ACRE TRACT OF LAND OWNED BY SOUTH CAROLINA GENERATING CO., INC. ABOUT TO BE CONVEYED TO

BERKELEY COUNTY WATER & SANITATION AUTHORITY LOCATED IN BERKELEY COUNTY, SOUTH CAROLINA", dated February 16, 1995, a copy of which is recorded in the RMC Office for Berkeley County in Plat Cabinet L, Page 142 and which is made a part hereby and incorporated herein by reference.

This being the same premises conveyed to the Berkeley County Water and Sanitation Authority by South Carolina Generating Company, Inc. dated November 30, 1995 and recorded January 3, 1996 in the RMC office for Berkeley County in Deed Book 780 at Page 84.

Parcel B

ALL that certain piece, parcel or tract of land together with the improvements thereon, situate, lying and being in the County of Berkeley, State of South Carolina, and being shown and designated as "218.954 Acres" on a plat by Engineering, Surveying and Planning, Inc., entitled "Plat showing a 218.954 Acre Tract to be Conveyed to South Carolina Generating Company, Inc. a Portion of Kibblesworth Plantation, Berkeley County, South Carolina" dated April 22, 1991 and recorded in Plat Cabinet I, Page 379 in the RMC office for Berkeley County. Said Property has such size, shape, buttings, boundings and dimensions as will by reference to said plat more fully appear.

Derivation: Tract No. 3, Parcel B, is the same property conveyed to GENCO by deed of Ernest Coleman Sanders, Jr., et al., recorded in the RMC Office for Berkeley County in Book A-914 at Page 03, on June 19, 1991.

TMS No.: 196-00-00-078

ALSO:

A SUBEASEMENT for railroad tracks and trackage rights coextensive with the easement granted for SCE&G herein by the Commissioners of Public Works of the City of Charleston by deed dated October 25, 1965, recorded in the Berkeley County RMC office in Deed Book A-154 at Page 3 ("Railroad Easement A").

ALSO

AN EASEMENT over property of SCE&G in Bushy Park North of property of South Carolina LNG Company, Inc. being twenty-five (25') feet on each side of the tracks existing at the date hereof (and any replacement or relocation of same) ("Railroad Easement B").

ALSO

A PERPETUAL EASEMENT for the use, operation and maintenance of monitoring wells number 7 & 8 over 1,508 square feet designated as Easement A on a plat prepared by Robert David Branton, PLS & PE, entitled "AN EASEMENT PLAT DONE FOR

BERKELEY COUNTY WATER AND SANITATION AUTHORITY ON THE BCW&SA PROPOSED LAND FILL SITE TO ALLOW INGRESS-EGRESS BY S.C.E.&G. FOR MAINTENANCE OF SCE&G MONITORING WELLS NUMBER 7 & 8 LOCATED IN BERKELEY COUNTY, SOUTH CAROLINA" dated February 16, 1995 and recorded in the Office of the Register of Deeds for Berkeley County in Plat Cabinet L at Page 143.

EXCLUSIONS:

This description includes the Generating Facilities as defined in the Indenture, but excludes expressly the Gas Turbine Facilities, the Gas Turbine Appurtenant Facilities, the Transmission Facilities, and the Gas Facilities as defined in the Indenture. Without limiting the foregoing, there is also expressly excluded from this description any and all facilities which are or which are deemed by the Federal Energy Regulatory Commission to be Transmission Facilities or used in or for the transmission of electricity.

EXHIBIT B

PERMITTED ENCUMBRANCES

General Exceptions Applicable to Tracts Nos. 1, 2 and 3 and Easement Parcel:

Berkeley County ad valorem taxes for current and future years, not yet due and payable.

Exceptions Applicable to Tracts Nos. 1, 2 and 3 and Easement Parcel:

UCC-1 Financing Statement from GENCO as Debtor to The Bank of New York Trust Company, N.A., as Collateral Agent, recorded on February 11, 2004 in the ROD Office for Berkeley County in Book 3830 at Page 28.

Exceptions Applicable only to Tract No. 1

1. Easements reserved by SCE&G in the Indenture recorded in Deed Book A-585 at page 139, and which consist of the following easements and rights of way, together with the rights associated therewith as described hereinafter (as used herein "Plat Sheet 6" refers to South Carolina Electric & Gas Company Drawing Number D-19, 633, Sheet 6 of 6, being incorporated herein by reference):

(a) An easement 50 feet wide for the Georgetown 16" gas pipeline and all appurtenances thereto, being 25 feet on each side of the gas line, as shown on Plat Sheet 6.

(b) An easement 25 feet wide for an 8-inch gas pipeline feeding the Gas Turbine Facilities, as shown on Plat Sheet 6.

(c) An easement 100 feet wide for a 115 KV line running between the Gas Turbine Appurtenant Facilities and the substation described in Article 2.3 (e) of the Indenture and running west from the western side of said substation, being 50 feet on each side of the centerline of said line, as shown on Plat Sheet 6.

(d) An easement corridor for electric transmission lines more fully described and having the metes and bounds shown on Plat Sheet 6, in which corridor are now located the Williams-Dupont No. 1 and No. 2 230 KV lines, the South Carolina LNG Company 115 KV line and the Williams-Mt. Pleasant No. 2 and No. 2 115 KV lines, as indicated on Plat Sheet 6.

(e) An easement (overhang only) 280 feet wide for the Williams-Faber Place (a/k/a Williams-Goose Creek) No. 1 230 KV line, the Williams-Church Creek No. 1 230 KV line, the Williams-Polaris 115 KV line (a/k/a "115 KV Service Line South") and a future 115 KV or 230 KV line, all to cross the Williams Station intake as shown on Plat Sheet 6.

(f) An easement for the 230 KV connector lines described in subparagraph (c) of Article 2.3 and the 230 KV ESS connector lines described in subparagraph (d) of Article 2.3,

being 155 feet wide between the Williams Station turbine building and the eastern side of the Williams Station 230 KV Substation, all as shown on Plat Sheet 6.

(g) An easement 5 feet wide being 2.5 feet on each side of an 8-inch PVC waste treatment outfall line crossing Tract No. 1 of the Realty along its Western and Southern boundaries as shown on Plat Sheet 6.

(h) An easement for the Gas Turbine Facilities and the Gas Turbine Appurtenant Facilities, as shown on Plat Sheet 6.

(i) An easement for the distribution substation described in Article 2.3 (e) of the Indenture, as shown on Plat Sheet 6.

(j) An easement 20 feet wide for a distribution line or lines running west from the said distribution substation, as shown on Plat Sheet 6.

(k) An easement 100 feet wide for the Williams-Charity 230 KV line, being 50 feet on each side of the centerline of said line, granted or to be granted to the South Carolina Public Service Authority ("SCPSA"), shown on Plat Sheet 6.

(l) An easement for a 16" waste treatment outfall line granted to Celanese Corporation by instrument dated September 18, 1981, recorded in the Berkeley County RMC office in Deed Book C144 at Page10, rerecorded in Book C144 at Page 258.

(m) An easement 50 feet wide reserved for utility purposes in the deed from the Commissioners of Public Works of the City of Charleston to South Carolina Electric & Gas Company dated June 22, 1984, recorded in Deed Book A-138 at Page 34.

(n) Right of Way of South Carolina State Highway 503, 100 feet wide, as shown on the Plat.

2. Agreement dated October 4, 1971, between the Seaboard Coastline Railroad Company and South Carolina Electric & Gas Company relating to railroad track facilities at or near Bushy Park.

3. Easement granted by GENCO to South Carolina Pipeline Corporation dated April 26, 1999, recorded June 14, 2000 in the ROD office for Berkeley County in Deed Book 1952 at Page 94.

4. Memorandum of Ground Lease Agreement dated August 22, 2001 between GENCO and SCANA Communications, Inc. recorded January 17, 2002 in the ROD office for Berkeley County in Deed Book 02575 at page 76.

5. Consent, Nondisturbance and Attornment Agreement dated August 30, 2001 between GENCO, SCANA Communications, Inc. and The Prudential Insurance Company of

America recorded September 20, 2001 in the ROD office for Berkeley County in Deed Book 2418 at page 92.

6. Memorandum of Lease by and between SCANA Communications, Inc. and Cellco Partnership dated November 9, 2001 and recorded November 27, 2001 in the ROD Office for Berkeley County in Book 2500 at Page 214.

7. Memorandum of Agreement by and between SCANA Communications, Inc. and Triton PCS Property Company, L.L.C. dated October 19, 2001 and recorded January 17, 2002 in the ROD Office for Berkeley County in Book 2575 at Page 71.

8. Memorandum of Lease by and between SCANA Communications, Inc. and Cellco Partnership dated November 9, 2001 and recorded February 20, 2002 in the ROD Office for Berkeley County in Book 2618 at Page 283.

9. Memorandum of Agreement by and between SCANA Communications, Inc. and AGW Leasing Company, Inc. dated December 3, 2001 and recorded February 20, 2002 in the ROD Office for Berkeley County in Book 2618 at Page 291.

10. Memorandum of Agreement by and between SCANA Communications, Inc. and AGW Leasing Company, Inc. dated December 3, 2001 and recorded March 27, 2002 in the ROD Office for Berkeley County in Book 2669 at Page 182.

11. Memorandum of Site Supplement by and between SCANA Communications, Inc. and Charleston-North Charleston MSA Limited Partnership dated April 15, 2002 and recorded May 16, 2002 in the ROD Office for Berkeley County in Book 2739 at Page 150.

12. Memorandum of Site Supplement by and between SCANA Communications, Inc. and Triton PCS Property Company, L.L.C. dated April 15, 2002 and recorded May 16, 2002 in the ROD Office for Berkeley County in Book 2739 at Page 155.

13. Memorandum of Agreement by and between SCANA Communications, Inc. and Triton PCS Property Company, L.L.C. dated October 19, 2001 and recorded September 6, 2002 in the ROD Office for Berkeley County in Book 2891 at Page 275.

14. Memorandum of Agreement by and between SCANA Communications, Inc. and Nextel South Corp. dated March 10, 2004 and recorded April 16, 2004 in the ROD Office for Berkeley County in Book 3942 at Page 169.

15. Assignment and Assumption of Site Lease by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 158.

16. Assignment and Assumption of Tower Leases/Licenses by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 166.

Exceptions Applicable only to Tract No. 2:

1. Easement 100 feet wide conveyed to South Carolina Public Service Authority ("SCPSA") by Lloyd Ellison dated August 4, 1941, recorded in Book C-37 at Page 11, Berkeley County RMC Office.

2. Easement 100 feet wide conveyed to SCPSA by Lloyd Ellison dated June 6, 1949, recorded in Book C-45 at Page 31, Berkeley County RMC Office.

3. Easement 25 feet wide conveyed to SCPSA by M & S Development Company, Inc. dated July 9, 1974, recorded in Book C-109 at Page 19, Berkeley County RMC Office.

4. Rights, if any, of all other persons, parties, entities or the State of South Carolina to so much, if any, of the land as lies below the mean high water mark.

5. Easement granted by GENCO to the South Carolina Public Service Authority dated July 2, 1993 recorded August 24, 1993 in the ROD office for Berkeley County in Deed Book 343 at Page 285.

6. Easement granted by GENCO to the Berkeley Electric Cooperative, Inc. dated November 6, 2006 recorded January 4, 2007 in the ROD office for Berkeley County in Deed Book 6252 at Page 317.

Exceptions Applicable only to Tract No. 3, Parcels A and B:

1. Drainage Ditch Right of Way from Ernest Coleman Sanders, Jr., et al., to Berkeley County dated March 21, 1985, recorded in Book C-177 at Page 343, Berkeley County RMC office.

2. Drainage Easement from Ernest Coleman Sanders to Berkeley County dated March 21, 1985, recorded in Book C-177 at Page 344, Berkeley County RMC Office.

3. Easement form E. C. Sanders to SCPSA for 100 foot right of way dated June 29, 1949, recorded April 10, 1950 in Book C-45 at Page 13, Berkeley County RMC Office.

4. Easement from E. C. Sanders, Jr. and George C. Smith, as trustees, to SCPSA for 25 foot right-of-way dated February 21, 1974, recorded in Book C-107 at Page 46, Berkeley County RMC Office.

5. Easement from Oakley Land Development Co. to SCPSA for 100 foot right of way dated May 5, 1941, recorded in Book C-35 at Page 203, Berkeley County RMC Office.

6. Easement to Southern Bell Telephone and Telegraph Company from Oakley Land and Development Co. dated August 10, 1940, recorded in Book C-43 at Page 494, Berkeley County RMC Office.

7. Rights of others thereto entitled in and to use ditches along the boundary lines of insured premises for drainage purposes.

8. Easement granted by GENCO to the South Carolina Public Service Authority dated July 2, 1993 recorded August 24, 1993 in the ROD office for Berkeley County in Deed Book 343 at Page 285.

9. Declaration of Restrictive Covenant dated February 26, 1993 recorded February 26, 1993 in the ROD office for Berkeley County in Deed Book 244 at Page 201.

10. Right of Way Easement granted by GENCO to Berkeley Electric Cooperative, Inc. dated April 11, 2002 and recorded August 4, 2003 in the ROD office for Berkeley County in Deed Book 3469 at Page 302.

11. A portion of Parcel A consisting of approximately 61.13 acres (as more particularly described on Exhibit A attached hereto) was conveyed to Berkeley County Water and Sanitation Authority by deed dated November 30, 1995, and recorded January 3, 1996 in the Berkeley County ROD office in Deed Book 780 at page 84. No release from the Mortgage and Security Agreement recorded in Mortgage Book 146 at page 226 is of record, and there appears to be no change in the tax records relative to the owner of such 61.13 acre tract.

Exceptions Applicable only to Easement Parcel:

1. Memorandum of Lease by and between SCANA Communications, Inc. and Cellco Partnership dated November 9, 2001 and recorded November 27, 2001 in the ROD Office for Berkeley County in Book 2500 at Page 214.

2. Memorandum of Agreement by and between SCANA Communications, Inc. and Triton PCS Property Company, L.L.C. dated October 19, 2001 and recorded January 17, 2002 in the ROD Office for Berkeley County in Book 2575 at Page 71.

3. Memorandum of Lease by and between SCANA Communications, Inc. and Cellco Partnership dated November 9, 2001 and recorded February 20, 2002 in the ROD Office for Berkeley County in Book 2618 at Page 283.

4. Memorandum of Agreement by and between SCANA Communications, Inc. and AGW Leasing Company, Inc. dated December 3, 2001 and recorded February 20, 2002 in the ROD Office for Berkeley County in Book 2618 at Page 291.

5. Memorandum of Agreement by and between SCANA Communications, Inc. and AGW Leasing Company, Inc. dated December 3, 2001 and recorded March 27, 2002 in the ROD Office for Berkeley County in Book 2669 at Page 182.

6. Memorandum of Site Supplement by and between SCANA Communications, Inc. and Charleston-North Charleston MSA Limited Partnership dated April 15, 2002 and recorded May 16, 2002 in the ROD Office for Berkeley County in Book 2739 at Page 150.

7. Memorandum of Site Supplement by and between SCANA Communications, Inc. and Triton PCS Property Company, L.L.C. dated April 15, 2002 and recorded May 16, 2002 in the ROD Office for Berkeley County in Book 2739 at Page 155.

8. Memorandum of Agreement by and between SCANA Communications, Inc. and Triton PCS Property Company, L.L.C. dated October 19, 2001 and recorded September 6, 2002 in the ROD Office for Berkeley County in Book 2891 at Page 275.

9. Memorandum of Agreement by and between SCANA Communications, Inc. and Nextel South Corp. dated March 10, 2004 and recorded April 16, 2004 in the ROD Office for Berkeley County in Book 3942 at Page 169.

10. Assignment and Assumption of Site Lease by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 158.

11. Assignment and Assumption of Tower Leases/Licenses by and between SCANA Communications, Inc. and Crown Castle South LLC dated December 19, 2007 and recorded February 21, 2008 in the ROD Office for Berkeley County in Book 7171 at Page 166.

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EXHIBIT F

FORM OF AMENDMENT NO. 1 TO SECURITY AGREEMENT

[See Attached]

EXECUTION COPY

AMENDMENT NO. 1 TO AMENDED AND RESTATED SECURITY AGREEMENT

This Amendment No. 1 to Amended and Restated Security Agreement (this "**Amendment**"), dated as of May 30, 2008, is among South Carolina Generating Company, Inc., a South Carolina corporation (the "**Company**"), and The Bank of New York Trust Company, N.A., as collateral agent (in such capacity, the "**Collateral Agent**") for the Holders. Capitalized terms used herein that are defined in the Security Agreement (as defined below) and are not otherwise defined herein shall have the meanings given in the Security Agreement, including by reference to the Collateral Agency Agreement (as defined below).

RECITALS:

WHEREAS, the Collateral Agent and the Company are parties to that certain Amended and Restated Security Agreement dated as of February 11, 2004 (as it may hereafter be amended, restated, modified or supplemented and in effect from time to time, the "**Security Agreement**");

WHEREAS, the Collateral Agent, the 1992 Holders and the 2004 Holders are parties to the certain Collateral Agency Agreement, dated as of February 11, 2004 (the "**Existing Collateral Agency Agreement**") relating to certain obligations of the Company;

WHEREAS, the Company has or is about to enter into the 2008 Note Agreement under which the 2008 Purchaser will purchase (a) $80,000,000 principal amount of the 2008-A Notes and (b) $80,000,000 principal amount of the 2008-B Notes;

WHEREAS, in connection with the purchase of the 2008-A Notes and the 2008-B Notes by the 2008 Purchaser, the 2008 Purchaser, the Collateral Agent, the 1992 Holders and the 2004 Holders are entering into that certain Amendment No. 1 to Collateral Agency Agreement, dated as of May 30, 2008 (the Existing Collateral Agency Agreement, as amended by such Amendment No. 1 to Collateral Agency Agreement, as it may be further amended, supplemented, restated or otherwise modified from time to time, the "**Collateral Agency Agreement**"); and

WHEREAS, the Company has requested, and it is a condition precedent to the obligations of the 2008 Purchaser to purchase the 2008-A Notes and the 2008-B Notes under the 2008 Note Agreement, that the Company execute and deliver this Amendment in order to cause the Company's obligations under the Transaction Documents (as defined in the 2008 Note Agreement) to be secured by a pari passu security interest in the Collateral.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Recitals. The recitals to this Amendment are hereby incorporated by reference into this Amendment.

Section 2. Amendments to Security Agreement. The Security Agreement is amended as follows:

(a) The definition of "Collateral Agency Agreement" in the Recitals to the Security Agreement is hereby amended in its entirety to read as follows:

> **"Collateral Agency Agreement"** shall have the meaning given in the Amendment No. 1 to this Agreement."

(b) Section 1.1 of the Security Agreement is hereby amended by amending and restating the following definitions in their entirety to read as follows:

> **"Lien"** shall mean any "Lien", as defined in the 1992 Note Agreement, any "Lien", as defined in the 2004 Note Agreement, or any "Lien", as defined in the 2008 Note Agreement.
>
> **"Transaction Documents"** shall mean (i) "Transaction Documents" as defined in the 1992 Note Agreement, (ii) "Transaction Documents" as defined in the 2004 Note Agreement, or (iii) "Transaction Documents" as defined in the 2008 Note Agreement.
>
> **"Yield-Maintenance Amount"** shall mean (i) with respect to the 1992 Notes, "Yield-Maintenance Amount" as defined in the 1992 Note Agreement, (ii) with respect to the 2004 Notes, "Yield-Maintenance Amount" as defined in the 2004 Note Agreement, and (iii) with respect to the 2008-A Notes and the 2008-B Notes, "Yield-Maintenance Amount" as defined in the 2008 Note Agreement.

(c) The first sentence of Section 3.2 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

> "The Company owns all of the Collateral free and clear of any Lien (except Liens permitted in paragraph 6B(1) of the 1992 Note Agreement, paragraph 6B(1) of the 2004 Note Agreement and paragraph 6B(1) of the 2008 Note Agreement) and has full right to mortgage, pledge, assign, transfer and grant a security interest in the same to the Collateral Agent."

(d) The first sentence of Section 4.4 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

> "Except as expressly provided in paragraph 6B(3) of the 1992 Note Agreement, paragraph 6B(3) of the 2004 Note Agreement and paragraph 6B(3) of the 2008 Note Agreement, the Company shall not sell, lease, transfer or otherwise dispose of any Collateral, or create or permit to exist any Lien (other than Liens permitted by paragraph 6B(1) of the 1992 Note Agreement, paragraph 6B(1) of the 2004 Note Agreement and paragraph 6B(1) of the 2008 Note Agreement) on any Collateral in favor of any Person other than the Collateral Agent."

(e) The first sentence of Section 4.5 of the Security Agreement is hereby amended and Restated in its entirety to read as follows:

"The Company shall, at its expense, keep and maintain such insurance as is required by paragraph 5F of the 1992 Note Agreement, paragraph 5F of the 2004 Note Agreement and paragraph 5F of the 2008 Note Agreement."

(f) Section 5.1(a) of the Security Agreement is hereby amended by deleting the words "Note Agreement" where they appear therein and inserting therefor the words "Note Agreements".

(g) Section 6.1 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

"**6.1 Notices.** The provisions of the 1992 Note Agreement, the 2004 Note Agreement and the 2008 Note Agreement shall apply as to the giving of notices hereunder."

(h) Section 6.2 of the Security Agreement is hereby amended and restated in its entirety to read as follows:

"**6.2 Benefit of Agreement**. This Agreement shall be binding upon and inure to the benefit of the Company, the Collateral Agent, the Holders and their respective successors and assigns (including without limitation any Transferee), except that the Company may not assign or transfer any of its rights or indebtedness under this Agreement without the prior consent of the Required Holder(s), except as permitted by paragraph 6B(3) of the 1992 Note Agreement, paragraph 6B(3) of the 2004 Note Agreement and paragraph 6B(3) of the 2008 Note Agreement."

(i) The last sentence of Section 6.3 of the Security Agreement is hereby amended and restated to read as follows:

"The Collateral Agent may exercise its rights with respect to any Collateral without resorting or regard to other Collateral, the Mortgaged Property or other sources of reimbursement for Indebtedness (including without limitation the SCANA Guarantee, as defined in the 1992 Note Agreement, the SCANA Guarantee, as defined under the 2004 Note Agreement, and the 2008 SCANA Guarantee, as defined under the 2008 Note Agreement)."

(j) Section 6.5 of the Security Agreement is hereby amended and restated to read as follows:

"**6.5 Expenditures by the Collateral Agent**. In the event the Company shall fail to pay taxes, insurance, assessments, costs or expenses which the Company is under any of the terms hereof or otherwise required to pay, or fails to keep the Collateral free from Liens (other than Liens permitted by paragraph 6B(1) of the 1992 Note Agreement, paragraph 6B(1) of the 2004 Note

Agreement and paragraph 6B(1) of the 2008 Note Agreement), the Collateral Agent may in its sole discretion make expenditures for any or all of such purposes, and the amount so expended shall be part of the Indebtedness, shall be payable on demand, shall be secured by the Collateral and the Mortgaged Property and shall bear interest at the rate applicable to the Notes."

Section 3. Confirmation of Grant of Security Interest. The Company hereby confirms the incorporation into the Security Agreement of the terms which are defined in the Collateral Agency Agreement, as defined in the Security Agreement after giving effect to this Amendment. The Company hereby confirms the grant to the Collateral Agent, for the ratable benefit of the Holders, as defined in the Security Agreement after giving effect to this Amendment, under the Security Agreement of, and hereby grants to the Collateral Agent, for the ratable benefit of the Holders, as defined in the Security Agreement after giving effect to this Amendment, of, a security interest in all of the Company's right, title and interest in and to the Collateral, whether now owned or hereafter acquired by the Company, as collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Indebtedness (as defined in the Security Agreement after giving effect to this Amendment).

Section 4. Representations and Warranties of the Company. To induce the Collateral Agent to execute and deliver this Amendment, the Company represents and warrants to the Collateral Agent (which representations shall survive the execution and delivery of this Amendment), that:

(a) This Amendment has been duly authorized, executed and delivered by it and this Amendment constitutes the legal, valid and binding obligation, contract and agreement of the Company enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) The execution, delivery and performance by the Company of this Amendment (i) has been duly authorized by all requisite corporate action and, if required, shareholder action, (ii) does not require the consent or approval of any governmental or regulatory body or agency, and (iii) will not (A) violate (1) any provision of law, statute, rule or regulation or its articles of incorporation or its bylaws, (2) any order of any court or any rule, regulation or order of any other agency or government binding upon it, or (3) any provision of any indenture, agreement or other instrument to which it is a party or by which its properties or assets are or may be bound, or (B) result in a breach or constitute (alone or with due notice or lapse of time or both) a default under any indenture, agreement or other instrument referred to in clause (iii)(A)(3) of this Section 4(b).

(c) As of the date hereof, and after giving effect to this Amendment and the other transactions contemplated hereby (i) the Security Agreement, as amended hereby, constitutes the legal, valid and binding obligations, contracts and agreements of the Company enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, (ii) each

representation and warranty set forth in the Security Agreement is true and correct (except to the extent such representations and warranties expressly refer to a specific date, in which case they were true and correct as of such date) and (iii) no Default or Event of Default exists.

Section 5. Reference to and Effect on Security Agreement. Each reference to the Security Agreement in any other document, instrument or agreement shall mean and be a reference to the Security Agreement, as modified by this Amendment. This Amendment shall be deemed a Transaction Document. Except as specifically set forth in Sections 2 and 3 hereof, the Security Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects.

Section 6. Governing Law. This Amendment shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York.

Section 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or electronic transmission shall be effective as delivery of an original executed counterpart of this Amendment.

Section 8. Collateral Agent. The Collateral Agent shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Amendment or for or in respect of the recitals contained herein, all of which are made solely by the Company.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

SOUTH CAROLINA GENERATING COMPANY, INC., a South Carolina corporation

By: _____

Title: _____

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Collateral Agent

By: _____

Title: _____

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EXHIBIT G

FORM OF 2008 SCANA GUARANTEE

[See Attached]

GUARANTEE AGREEMENT

This Guarantee Agreement (the "**Guarantee**") is entered into as of May 30, 2008 by SCANA Corporation (the "**undersigned**"), a South Carolina corporation, in favor of and for the benefit of the Holders (as defined below).

WHEREAS, South Carolina Generating Company, Inc. (the "**Company**"), a South Carolina corporation and a wholly-owned subsidiary of the undersigned, is indebted to (a) The Prudential Insurance Company of America ("**PICA**"), pursuant to a Note Agreement, dated as of August 21, 1992 (as amended, modified or restated from time to time, the "**1992 Note Agreement**") in the original principal amount of $78,500,000 evidenced by the Company's 7.78% Senior Secured Notes due December 31, 2011 (the "**1992 Notes**") and (b) PICA, General Electric Capital Assurance Company, First Colony Life Insurance Company, Security Life of Denver Insurance Company, United Of Omaha Life Insurance Company, RGA Reinsurance Company, and National Life Insurance Company (collectively, the "**2004 Purchasers**"), pursuant to a Note Agreement, dated as of February 11, 2004 (as amended, modified or restated from time to time, the "**2004 Note Agreement**") in the original principal amount of $100,000,000 evidenced by the Company's 5.49% Senior Secured Notes due February 1, 2024 (the "**2004 Notes**");

WHEREAS, as a condition of and in order to assure the performance of the obligations under the 1992 Note Agreement, the 1992 Notes, the 2004 Note Agreement and the 2004 Notes, the undersigned executed that certain Amended and Restated Guarantee Agreement dated as of February 11, 2004 (as amended, restated or otherwise modified from time to time, the "**Existing Guarantee Agreement**");

WHEREAS, the Company has or is about to enter into (a) a Modification Letter to the 1992 Note Agreement dated as of May 30, 2008 (the "**1992 Modification Letter**") under which the Company and PICA agree to certain modifications to the 1992 Note Agreement and (b) a Modification Letter to the 2004 Note Agreement dated as of May 30, 2008 (the "**2004 Modification Letter**" and together with the 1992 Modification Letter, being collectively, the "**Modification Letters**") under which the Company and the 2004 Purchasers agree to certain modifications to the 2004 Note Agreement;

WHEREAS, the Company is about to enter into a Note Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "**Note Agreement**"), dated as of May 30, 2008, under which PICA (the "**Purchaser**" and, together with its successors and assigns and any other Person who becomes a holder of a Note (as hereinafter defined), the "**Holders**") will purchase (a) $80,000,000 principal amount of the Company's 6.06% Series 2008-A Senior Secured Notes due June 1, 2018 (the "**2008-A Notes**") and (b) $80,000,000 principal amount of the Company's 6.06% Series 2008-B Senior Secured Notes due June 1, 2018 (the "**2008-B Notes**" and together with the 2008-A Notes, being collectively, the "**Notes**");

WHEREAS, the proceeds from the issuance of the Notes will be used to purchase and install pollution control equipment for the Williams Station and for general corporate

purposes, including, without limitation, to repay capital contributions and advances and indebtedness owed by the Company to the undersigned and the Utility Money Pool and it is in the undersigned's interest to have the Company purchase and install such pollution control equipment and repay such capital contributions and advances; and

WHEREAS, one of the conditions precedent to the effectiveness of the Note Agreement is that the undersigned enter into this Guarantee to guarantee the Indebtedness (as defined herein) in the manner set forth in this Guarantee.

NOW THEREFORE, for value received, to satisfy one of the conditions precedent to the purchase of the Notes, to induce the Purchaser to purchase the Notes, to induce any Transferee to accept the transfer of all or any part of any Note, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees as follows:

ARTICLE I. DEFINITIONS

Section 1.1 Definitions. (a) Capitalized terms that are used herein have the following meanings:

"Holder" shall mean the Purchaser, each Transferee and any other holder of any of the Notes.

"Indebtedness" shall mean all of the indebtedness, obligations and liabilities existing on the date hereof or arising from time to time thereafter, whether direct or indirect, joint or several, actual, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, of the Company to the Holders under or in respect of any one or more of the Transaction Documents, including, without limitation, the principal of and interest and Yield Maintenance Amount, if any, on the Notes.

"Significant Subsidiary" shall mean (1) the Gas Corporation (as defined in the Inducement Letter) and (2) any other Subsidiary of the undersigned (i) that is subject to the jurisdiction of the SCPSC, FERC or any other similar commission or Person or (ii) meeting any of the following requirements: (1) the undersigned's and its other Subsidiaries' investments in and advances to such Subsidiary exceed 10 percent of total consolidated assets of the undersigned and its Subsidiaries as of the end of the most recently completed fiscal year; or (2) the undersigned's and its other Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of such Subsidiary exceeds 10 percent of the total assets of the undersigned's and its Subsidiaries' consolidated assets as of the end of the most recently completed fiscal year; or (iii) the undersigned's and its other Subsidiaries' equity in the income from continuing operations, before income taxes, extraordinary items and cumulative effect of a change in accounting principles, of such Subsidiary exceeds 10 percent of consolidated income of the undersigned and its Subsidiaries for the most recently completed fiscal year.

(b) Capitalized terms that are used herein and are not defined herein shall have the meanings ascribed to them in the Note Agreement, except that with respect to the terms "Plan" and "ERISA Affiliate" as they are defined in the Note Agreement, each reference to "Company" in such definitions shall be a reference to the "undersigned" for purposes herein.

Unless the context of this Guarantee otherwise clearly requires, references to the plural include the singular, the singular include the plural and "or" has the inclusive meaning represented by the phrase "and/or."

ARTICLE II. THE GUARANTEE

Section 2.1 Guarantee of Payment and Performance of Obligations. The undersigned unconditionally guarantees the full and prompt payment when due, whether at maturity, a stated prepayment date or earlier by reason of acceleration or otherwise, and at all times thereafter, and the due and punctual performance of all of the Indebtedness; and the undersigned further agrees to pay all costs and expenses, including, without limitation, all court costs and attorneys' fees and expenses, paid or incurred in endeavoring to collect all or any part of the Indebtedness from, or in pursuing any action against, the Company, the undersigned or any other guarantor of all or any part of the Indebtedness or enforcing any rights of any Holder in the Mortgaged Property or the Collateral or in any security for the liability of the undersigned or any other such guarantor (such costs and expenses being sometimes hereinafter referred to as the "**Collection Costs**"). This is a continuing guarantee of payment and not of collection.

The undersigned covenants that it will not be discharged except by complete performance of the obligations contained herein. Upon an Event of Default under the Note Agreement, any Holder may, at its sole election and without notice, proceed directly and at once against the undersigned to collect and recover the full amount of any portion of the liability of the undersigned hereunder, without first proceeding against the Company, any other Person or the Mortgaged Property or the Collateral or any other security for the Indebtedness or for the liability of the undersigned under this Guarantee or for the liability of any such other Person. A Holder shall have the exclusive right to determine the application of payments and credits, if any, from the undersigned, the Company or from any other Person on account of the Indebtedness or otherwise.

Section 2.2 Obligations Unconditional. The undersigned hereby agrees that the obligations of the undersigned under this Guarantee shall be continuing, absolute and unconditional, irrespective of (i) the invalidity or unenforceability of the Indebtedness or any Transaction Document or any part thereof; (ii) the absence of any attempt to collect the Indebtedness from the Company or any other guarantor of all or any part of the Indebtedness or other action to enforce the same; (iii) the waiver or consent by any Holder with respect to any provision of any Transaction Document or applicable law; (iv) any failure by a Holder to acquire, perfect or maintain a mortgage lien on or security interest in, or take any steps to preserve its rights to, the Mortgaged Property or the Collateral or any other security for the Indebtedness; (v) any defense arising by reason of any disability or other defense (other than a defense of payment, unless the payment on which such defense is based was or is subsequently invalidated, declared to be fraudulent or preferential, otherwise avoided or required to be repaid to the Company, the undersigned, the estate of either the Company or the undersigned, a trustee, receiver or any other Person under any bankruptcy law, state or federal law, common law or equitable cause, in which case there shall be no defense of payment with respect to such payment) of Company or any other Person liable on the Indebtedness or any portion thereof; (vi) a Holder's election, in any proceeding instituted under the Federal Bankruptcy Code (11 U.S.C. §101 et seq.) (the "**Bankruptcy Code**"), of the application of Section 1111(b)(2) of the

Bankruptcy Code; (vii) any borrowing from or grant of a security interest to any Holder by the Company, as debtor-in-possession, under Section 364 of the Bankruptcy Code, or any extension of credit, under Section 364 of the Bankruptcy Code; (viii) the disallowance or avoidance under the Bankruptcy Code of all or any portion of a Holder's claim(s) for repayment of the Indebtedness or the avoidance of any security for the Indebtedness; (ix) any amendment to, waiver or modification of, or consent under any provision of the Transaction Documents; (x) any change in any provision of any law or regulation; (xi) any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, binding on or affecting the undersigned or any of its assets; (xii) any mortgage, indenture, lease, contract, or other agreement (including without limitation any agreement with stockholders), instrument or undertaking to which the undersigned is a party or which purports to be binding on or affect the undersigned or any of its assets; or (xiii) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

Section 2.3 Freedom to Act. Any Holder is hereby authorized, without notice to the undersigned and without affecting the liability of the undersigned hereunder to such Holder or any other Holder, from time to time to (i) renew, extend, accelerate or otherwise change the time for payment of, or other terms relating to, the Indebtedness, or otherwise modify, amend or change the terms of any of the Transaction Documents (other than this Guarantee); (ii) accept partial payments on the Indebtedness; (iii) take and hold security or additional guarantees or sureties for the Indebtedness or any part thereof or any other liabilities of the Company, the obligations of the undersigned under this Guarantee and the obligations under any other guarantees of the Indebtedness, and exchange, enforce, waive, release, sell, transfer, assign or otherwise deal with any such security, guarantee or surety; (iv) apply such security or any proceeds thereof and direct the order or manner of sale thereof as each Holder may determine in its discretion; (v) settle, release, compromise, collect or otherwise liquidate the Indebtedness or any portion thereof and any security therefor in any manner; (vi) extend additional loans, credit and financial accommodations and otherwise create additional Indebtedness; (vii) waive strict compliance with the terms of the Transaction Documents and otherwise forbear from asserting the Holder's rights and remedies thereunder; (viii) enforce or forbear from enforcing the guarantee of any other guarantor of all or any part of the Indebtedness or release any such guarantor; and (ix) assign this Guarantee in part or in whole in connection with any assignment of any part or all of the Indebtedness.

No failure on the part of any Holder to exercise, and no delay in the exercise of, any right or remedy shall operate as a waiver thereof, and no single or partial exercise by any Holder of any right or remedy shall preclude any further exercise thereof by such Holder or any other Holder nor shall any modification or waiver of any of the provisions of this Guarantee be binding upon any Holder except as expressly set forth in a writing duly signed and delivered on that Holder's behalf by any authorized officer of Holder. Any Holder's failure at any time or times hereafter to require strict performance by the undersigned of any of the covenants, provisions, warranties, terms and conditions contained in this Guarantee or any other promissory note, loan agreement, lease, security agreement, mortgage, agreement, instrument or other document now or at any time or times hereafter executed by the undersigned and delivered to any Holder shall not waive, affect or diminish any right of any Holder at any time or times hereafter to demand strict performance therewith and no waiver of any such right shall be deemed to occur by any act or knowledge of any Holder, its agents, officers or employees or be

binding against any Holder, except as expressly set forth in a writing duly signed and delivered an that Holder's behalf by an officer of Holder, other than amendments, consents or waivers pursuant to Section 6.1. No waiver by any Holder of any default shall operate as a waiver of any other default or the same default on a future occasion, and no action by any Holder permitted hereunder shall in any way affect or impair any Holder's rights or the obligations of the undersigned under this Guarantee. Any determination by a court of competent jurisdiction of the amount of any part of the Indebtedness owing by the Company to any Holder at any time shall be conclusive and binding on the undersigned irrespective of whether the undersigned was a party to the suit or action in which such determination was made. Other than amendments, consents or waivers pursuant to Section 6.1, no modification or waiver of any of the provisions of this Guarantee by a Holder nor any action by a Holder permitted hereunder shall affect or impair any other Holder's rights or the obligations of the undersigned under this Guarantee unless such modification, waiver or action is consented to in a writing duly signed and delivered on such Holder's behalf by an officer of such Holder.

Section 2.4 Waivers of Undersigned. The undersigned will not exercise any rights which it may have acquired by way of subrogation under this Guarantee, by any payment made hereunder or otherwise, or accept any payment on account of such subrogation rights, or any rights of reimbursement or indemnity or any rights or recourse to any security for the Notes or this Guarantee unless and until all of the obligations, undertakings or conditions to be performed or observed by the Company pursuant to the Notes, the Note Agreement and any other Transaction Document at the time of the undersigned's exercise of any such right shall have been performed, observed or paid in full. If any amount shall be paid to the undersigned on account of such subrogation or any such other rights at any time, such amount shall be held in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied to the Company's obligations to the Holders, whether matured or unmatured, in accordance with the terms hereof.

The undersigned also waives all set-offs and counterclaims and all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and diligence with respect to the Indebtedness and the obligations of the undersigned hereunder, the filing of any claims with a court in the event of receivership or bankruptcy of the Company, and notices of acceptance of this Guarantee. The undersigned further waives all notices that the principal amount, any payment or any portion thereof, any interest or Yield Maintenance Amount on all or any part of the Indebtedness is due, notices of any and all proceedings to collect from the Company, any endorser or any other guarantor of all or any part of the Indebtedness, or from any other Person, and, to the extent permitted by law, notices of exchange, sale, surrender or other handling of the Mortgaged Property or the Collateral or any other security given to any Holder to secure payment of the Indebtedness. The undersigned consents and agrees that no Holder shall be under any obligation to marshall any assets in favor of the undersigned or against or in payment of any or all of the Indebtedness.

Section 2.5 Revival. The undersigned further agrees that to the extent the Company or the undersigned makes a payment or transfers an interest in any property to any Holder or any Holder enforces any Lien or exercises any rights of set-off, and such payment or transfer or proceeds of such enforcement or set-off, or any portion thereof, are subsequently invalidated, declared to be fraudulent or preferential, or otherwise is avoided, and/or required to

be repaid to the Company, the undersigned, the estate of either the Company or the undersigned, a trustee, receiver or any other Person under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such avoidance or repayment, the obligation or part thereof intended to be satisfied shall be revived and continued in full force and effect as if said payment had not been made or such enforcement or set-off had not occurred.

Section 2.6 Subordination. The undersigned further agrees that any and all present and future debts and obligations of the Company, any endorser, or any guarantor of any part or all of the Indebtedness to the undersigned and any and all claims of the undersigned against the Company, any endorser, or any guarantor of any part or all of the Indebtedness, or any of their respective properties, howsoever arising, shall be subordinate and subject in right of payment to the prior payment, in full, of the Indebtedness and as security for this Guarantee, the undersigned hereby assigns to each Holder all claims of any nature which the undersigned may now or hereafter have against the Company.

Section 2.7 Bankruptcy. If any Event of Default specified in clauses (vii) to (x), inclusive, of paragraph 7A of the Note Agreement shall occur and be continuing, any and all obligations of the undersigned shall, at the option of any Holder, forthwith become due and payable without notice.

ARTICLE III. AFFIRMATIVE COVENANTS

Section 3.1 Financial Statements. The undersigned covenants that it will deliver to each Significant Holder:

(i) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, condensed consolidated statements of income, cash flows and comprehensive income of the undersigned and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and a condensed consolidated balance sheet of the undersigned and its Subsidiaries as at the end of such quarterly period, setting forth in the case of the statements of income in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and satisfactory in form to the Required Holder(s) and certified by an authorized financial officer of the undersigned, subject to changes resulting from year-end adjustments; provided, however, that the requirements of this clause (i) shall be deemed to be satisfied if the Company shall (a) deliver pursuant to clause (iii) below of copies of the Quarterly Report on Form 10-Q of the undersigned for such quarterly period filed with the Securities and Exchange Commission, (b) have timely posted such financial statements on its home page on the worldwide web and shall have given each Significant Holder prior notice (such notice to include the address of its home page and any user identification information or passwords necessary to access such financial statements) of such availability on its home page (such availability and notice thereof being referred to as *"Electronic Delivery"*) or (c) deliver such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;

(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidated statements of income and cash flows and a consolidated statement of changes in common equity of the undersigned and its Subsidiaries for such year, and a consolidated balance sheet of the undersigned and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and satisfactory in form to the Required Holder(s) and, as to the consolidated statements, reported on by independent public accountants of recognized national standing selected by the undersigned whose report shall be without limitation as to the scope of the audit and satisfactory in substance to the Required Holder(s); provided, however, that the requirements of this clause (ii) shall be deemed to be satisfied if the Company shall (a) deliver pursuant to clause (iii) below of copies of the Annual Report on Form 10-K of the undersigned for such fiscal year filed with the Securities and Exchange Commission, (b) have timely made Electronic Delivery or (c) deliver such financial statements to each Significant Holder in a manner that has been approved by such Significant Holder;

(iii) promptly, and in any event within 30 days, upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its public stockholders and copies of all registration statements (without exhibits) and all reports pursuant to the Securities Exchange Act of 1934 (other than Forms 3, 4 and 5 or similar forms) which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission); provided, that the Company shall be deemed to have made such delivery of the items described above if it shall have timely made Electronic Delivery thereof or delivered such items to each Significant Holder in a manner that has been approved by such Significant Holder;

(iv) promptly upon receipt thereof, a copy of each other report on examination submitted to the undersigned or any Significant Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the undersigned or any Significant Subsidiary; and

(v) with reasonable promptness, such other financial data as such Significant Holder may reasonably request.

Together with each delivery of financial statements required by clauses (i) and (ii) above, the undersigned will deliver to each Significant Holder an Officer's Certificate stating that there exists no failure by the undersigned to perform or comply with any of its obligations hereunder or under the Subordination Agreement, or, if any such failure exists, specifying the nature and period of existence thereof and what action the undersigned proposes to take with respect thereto (which, in the case of Electronic Delivery of any such financial statements, shall be by separate prompt delivery of such Officer's Certificate to each Significant Holder).

Section 3.2 Inspection of Property; Books and Records. The undersigned covenants that it will permit any Person designated by any Significant Holder in writing, at such Significant Holder's expense, to visit and inspect any of the properties of the undersigned and its Subsidiaries, to examine the corporate books and financial records of the undersigned and its

Subsidiaries and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of any of such corporations with the principal officers of the undersigned and its independent public accountants, all at such reasonable times and as often as such Significant Holder may reasonably request. The undersigned covenants that it will, and will cause each of its Subsidiaries to keep separate and proper books of records and accounts, in which full and correct entries shall be made of all transactions including any transactions between the undersigned and any of its Subsidiaries and Affiliates, all in accordance with generally accepted accounting principles.

Section 3.3 Conduct of Business; Maintenance of Existence; Compliance with Laws; Payment of Taxes. The undersigned covenants that it shall, and shall cause each of its Subsidiaries (except with respect to subparagraph (i) and (ii) below in which case each of its Significant Subsidiaries) to, (i) continue to engage principally in the businesses in which it is presently engaged, (ii) subject to Section 4.1(ii) hereof, preserve, renew and keep in full force and effect its corporate existence and its rights, licenses, privileges and franchises necessary or desirable in the normal conduct of its business, (iii) comply in all material respects with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder), (iv) maintain all of its property in good repair, working order and condition (other than property that, if not in good repair, working order or condition, would not materially adversely affect the business, condition (financial or otherwise) or operations of the undersigned or any of its Subsidiaries), and (v) pay and discharge or cause to be discharged all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any of its property, real, personal or mixed, or upon any part thereof, when due, as well as all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon its property, provided, however, that neither the undersigned nor any Subsidiary of the undersigned shall be required to pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings, and if such reserve or other appropriate provision, if any, as the undersigned or such Subsidiary shall deem adequate (but in no event shall such reserve or provision be in an amount less than such amount as shall be required under, with respect to the Company, the accounting requirements of FERC as set forth in its applicable Uniform System of Accounts and published accounting releases and, with respect to the undersigned and any other Subsidiary, generally accepted accounting principles) shall have been made therefor.

Section 3.4 Maintenance of Insurance. The undersigned covenants that it shall, and shall cause each of its Subsidiaries to, (i) maintain insurance in such amounts and with such deductibles and against such liabilities and hazards as customarily is maintained by other companies operating similar businesses, and (ii) upon a request by any holder of a Note, deliver to such holder a certificate of the insurer or the undersigned's independent insurance agent summarizing the details of such insurance in effect and stating the term of such insurance.

Section 3.5 Ownership of SCE&G and Company. The undersigned covenants that it shall maintain at all times legal, equitable and beneficial ownership of 100% of the capital stock of (i) SCE&G, except preferred stock having voting rights only following the nonpayment of any stated dividend thereon and containing other terms as are customary in the

utility industry, (ii) upon its formation in accordance with paragraph 2C of the Inducement Letter, the Gas Corporation (as defined in the Inducement Letter) and (iii) the Company.

ARTICLE IV. NEGATIVE COVENANTS

Section 4.1 Sale of Stock of Subsidiaries; Mergers, etc. The undersigned covenants that it shall not, and it shall not permit any Subsidiary (except with respect to subparagraph (ii) below in which case any Significant Subsidiary) of the undersigned to, directly or indirectly:

(i) sell or otherwise dispose of, or part with control of, any shares of capital stock of either of SCE&G (other than preferred stock of SCE&G having voting rights only following the nonpayment of any stated dividend thereon and containing other terms as are customary in the utility industry) or Company, or create, assume or suffer to exist any Lien on or with respect to the capital stock of SCE&G or Company,

(ii) merge or consolidate with any other Person, sell, lease, transfer or otherwise dispose of all or substantially all of its assets to any Person, or acquire all or substantially all of the assets of any Person except that (subject to Section 4.1(i)):

(a) any Subsidiary of the undersigned may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, or acquire all or substantially all of the assets of, any other Subsidiary of the undersigned (provided that a wholly-owned Subsidiary of the undersigned shall be the continuing or surviving corporation or the corporation to which such assets have been sold, leased, transferred or otherwise disposed), and

(b) the undersigned and any Subsidiary of the undersigned may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of the undersigned's or such Subsidiary's assets to, or acquire all or substantially all of the assets of, any other Person, provided that (1) both before and immediately after such merger, consolidation, sale, lease, transfer or other disposition or acquisition no Default or Event of Default shall exist, (2) the corporation formed by any such consolidation or into which the undersigned or any of its Subsidiaries shall have been merged, or to which all or substantially all of the undersigned's or such Subsidiary's assets are transferred, assumes unconditionally in writing (which writing shall be satisfactory to the Required Holder(s)) the payment and performance of all obligations of the undersigned or such Subsidiary under the Credit Documents to which each is a party and (3) the holders of the Notes shall have received an opinion from counsel satisfactory to the Required Holder(s), in form and substance satisfactory to the Required Holder(s), as to such matters as the Required Holder(s) may reasonably request, or

(iii) terminate, or permit any Affiliate to terminate, any Plan so as to result in any material (in the opinion of the Required Holder(s)) liability of the undersigned to the Pension Benefit Guaranty Corporation, or permit to exist any occurrence of any Reportable Event (as

defined in Title IV of ERISA), or any other event or condition, which presents a material (in the opinion of the Required Holder(s)) risk of such a termination by the Pension Benefit Guaranty Corporation of any Plan.

Section 4.2 Issuance of Stock of SCE&G and Company. The undersigned covenants that neither SCE&G nor Company shall (either directly or indirectly) by the issuance of rights or options for, or securities convertible into such shares, issue, sell or otherwise dispose of any shares of any class of its stock (other than with respect to preferred stock of SCE&G having voting rights only following the nonpayment of any stated dividend thereon and containing such other terms as are customary in the utility industry), except to the undersigned.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

The undersigned represents and warrants on each Date of Closing as follows:

Section 5.1 Organization. The undersigned is a corporation duly organized and existing under the laws of the State of South Carolina and each of its Subsidiaries is duly organized and existing under the laws of the jurisdiction in which it is incorporated. The undersigned and each of the undersigned's Subsidiaries is duly qualified and authorized to transact business as a foreign corporation and is in good standing in every jurisdiction in which the nature of the business conducted by it or the ownership of its properties or assets makes such qualification necessary, except where the failure to be in good standing or to be so qualified or authorized would not have a material adverse effect on the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries, taken as a whole. Except with respect to preferred stock of SCE&G having voting rights only following the nonpayment of any required dividend thereon and containing such other terms as are customary in the utility industry, the undersigned owns 100% of the capital stock of SCE&G and the Company.

Section 5.2 Power and Authority. The undersigned and each Subsidiary of the undersigned has all requisite corporate power to conduct its business as currently conducted and as currently proposed to be conducted. The undersigned has all requisite corporate power to execute, deliver and perform its obligations under this Guarantee and the Subordination Agreement. The execution, delivery and performance by the undersigned of this Guarantee and the Subordination Agreement have been duly authorized by all requisite corporate action on the part of the undersigned. The undersigned has duly executed and delivered this Guarantee and the Subordination Agreement, and this Guarantee and the Subordination Agreement constitute the legal, valid and binding obligations of the undersigned, enforceable against the undersigned in accordance with their terms.

Section 5.3 Financial Statements. The undersigned has furnished Prudential with the following financial statements: (i) a consolidated balance sheet of the undersigned and its Subsidiaries as of December 31 in each of the years 2005 to 2007, inclusive, and consolidated statements of income, cash flows and changes in common equity of the undersigned and its Subsidiaries for each such year, all reported on by the undersigned's independent public accountants, (ii) a condensed consolidated balance sheet of the undersigned and its Subsidiaries as of March 31 in each of the years 2007 and 2008 and condensed consolidated statements of income, cash flows and comprehensive income for the three-month period ended on each such

date, prepared by the undersigned and (iii) a condensed consolidated balance sheet of the Company as at the end of the quarterly period (if any) most recently completed prior to the date as of which this representation is made or repeated to the Purchaser and after December 31, 2007 (other than quarterly periods completed within sixty (60) days prior to such date for which financial statements have not been released) and condensed consolidated statements of income, cash flows and comprehensive income for the periods from the beginning of the fiscal year in which such quarterly periods are included to the end of such quarterly periods, prepared by the undersigned. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year-end adjustments), have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved (except as otherwise expressly set forth therein) and show all liabilities, direct and contingent, of the undersigned and its Subsidiaries required to be shown in accordance with such principles. The consolidated balance sheets fairly present the condition of the undersigned and its Subsidiaries as of the dates thereof, and the statements of income, cash flows and changes in common equity, as applicable, fairly present the results of the operations of the undersigned and its Subsidiaries and their cash flows for the periods indicated. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries taken as a whole since March 31, 2008.

Section 5.4 Actions Pending. Except as disclosed in the undersigned's or SCE&G's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008 or in the undersigned's or SCE&G's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, copies of which have been delivered to you, there is no action, suit, investigation or proceeding pending or, to the knowledge of the undersigned, threatened against the undersigned or any of its Subsidiaries, or any properties or rights of the undersigned or any of its Subsidiaries, by or before any court, arbitrator or administrative or governmental body which could reasonably be expected to result in any material adverse change in the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries taken as a whole.

Section 5.5 Title to Properties. Except as set forth on Schedule 8C of the Note Agreement, the undersigned has and each of its Subsidiaries has good and indefeasible title to, or leasehold interest in, its respective real properties and good title to, or leasehold interest in, all of its other respective properties and assets, including without limitation the properties and assets reflected in the most recent balance sheet referred to in Section 5.3 (other than properties and assets disposed of in the ordinary course of business), subject to defects in title as are not material in the aggregate and do not materially interfere with the conduct of the respective businesses of the undersigned and its Subsidiaries. All leases necessary for the conduct of the respective businesses of the undersigned and its Subsidiaries are valid and subsisting and are in full force and effect, except to the extent not material to the conduct of such businesses.

Section 5.6 Taxes. The undersigned has and each of its Subsidiaries has filed all federal, state and other income tax returns which, to the knowledge of the officers of the undersigned, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles.

Section 5.7 Conflicting Agreements, and Other Matters. Neither the undersigned nor any of its Subsidiaries is a party to any contract or agreement or subject to any charter or other corporate restriction which materially and adversely affects its business, property or assets, or financial condition. Neither the execution nor delivery of this Guarantee or the Subordination Agreement, nor fulfillment of nor compliance with the terms and provisions hereof or thereof, will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the undersigned or any of its Subsidiaries pursuant to, the charter or by-laws of the undersigned or any of its Subsidiaries, any award of any arbitrator or any agreement (including any agreement with stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the undersigned or any of its Subsidiaries is subject. Neither the undersigned nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness (as defined in the Note Agreement) of the undersigned or such Subsidiary, any agreement relating thereto or any other contract or agreement (including its charter) which limits the amount of, or otherwise imposes restrictions on the creation of, any Guarantee (as defined in the Note Agreement) on the part of the undersigned, except as set forth in the agreements listed in Schedule 5.7 attached hereto.

Section 5.8 Offering of Notes. Neither the undersigned nor any agent acting on its behalf has, directly or indirectly, offered the Notes or any similar security of the undersigned for sale to, or solicited any offers to buy the Notes or any similar security of the undersigned from, or otherwise approached or negotiated with respect thereto with, any Person other than institutional investors, and neither the undersigned nor any agent acting on its behalf has taken or will take any action which would cause the provisions of section 5 of the Securities Act or any similar registration requirements of any securities or Blue Sky law of any applicable jurisdiction to apply to the issuance or sale of the Notes.

Section 5.9 ERISA. As of December 31, 2007, no accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, existed with respect to any Plan (other than a Multiemployer Plan). As of the Date of Closing, the minimum funding standards of Section 302 of ERISA and Section 412 of the Code have been satisfied with respect to any Plan (other than a Multiemployer Plan). No liability to the Pension Benefit Guaranty Corporation has been or is expected by the undersigned or any ERISA Affiliate to be incurred with respect to any Plan (other than a Multiemployer Plan) by the undersigned, any Subsidiary or any ERISA Affiliate which is or would be materially adverse to the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries taken as a whole. Neither the undersigned, any Subsidiary nor any ERISA Affiliate has incurred or presently expects to incur any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is or would be materially adverse to the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries taken as a whole. The execution and delivery of this Guarantee will be exempt from, or will not involve any transaction which is subject to, the prohibitions of section 406(a) of ERISA and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA by reason of section 406(a) of ERISA or a tax could be imposed pursuant to section 4975 of the Code by reason of section 4975(c)(1)(A)-(D) of the Code. The representation by the undersigned in the next preceding sentence is made in reliance upon and subject to the accuracy of the representation in paragraph 9B of the Note Agreement and, with

respect to the sources of funds described in paragraph 9B(c), (d), (e) or (g) of the Note Agreement, is conditioned on the Company's receipt of accurate employee benefit plan information from the Purchaser.

Section 5.10 Governmental and Other Third Party Consent. Neither the nature of the undersigned or of any Subsidiary, nor any of their respective businesses or properties, nor any relationship between the undersigned or any Subsidiary and any other Person, nor any circumstance in connection with the offering, issuance, sale or delivery of the Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities) or any other Person in connection with the execution and delivery of this Guarantee or the Subordination Agreement or fulfillment of or compliance with the terms and provisions hereof or thereof.

Section 5.11 Compliance With Laws. Except to the extent disclosed on the undersigned's (i) Annual Report on Form 10-K for its fiscal year ended December 31, 2007 and (ii) Quarterly Report on Form 10-Q for its fiscal quarter ended March 31, 2008 (none of which the undersigned believes will result in a material adverse effect on the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries, taken as a whole):

(a) The undersigned and each Subsidiary of the undersigned is in compliance in all respects with all applicable laws and regulations, including, without limitation, those relating to equal employment opportunity, employee safety, consumer protection and the environment, except where the failure to do so would not reasonably be expected to, whether considered individually or in the aggregate, result in a material adverse effect on the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries, taken as a whole.

(b) Without limiting the foregoing clause (a), the undersigned and its Subsidiaries and Affiliates and all of their respective properties and facilities have complied at all times and in all respects with all Environmental Laws except, in any such case, where failure to comply would not reasonably be expected to result in a material adverse effect on the business, condition (financial or otherwise) or operations of the undersigned and its Subsidiaries and Affiliates, taken as a whole.

Section 5.12 Disclosure. Neither this Guarantee, the Subordination Agreement nor any other document, certificate or statement furnished to Prudential by or on behalf of the undersigned in connection herewith or therewith (including, without limitation, the undersigned's and SCE&G's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008 and the undersigned's and SCE&G's Annual Reports on Form 10-K for the fiscal year ended December 31, 2007) (collectively, the "**34 Act Filings**") collectively, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact peculiar to the undersigned or any of its Subsidiaries which materially adversely affects or in the future may (so far as the undersigned can now foresee) materially adversely affect the business, property or assets, or financial condition of the undersigned or any of its Subsidiaries and which has not been

set forth in this Guarantee, the 34 Act Filings or in the other documents, certificates and statements furnished to Prudential by or on behalf of the undersigned prior to the date hereof in connection with the transactions contemplated hereby.

ARTICLE VI. MISCELLANEOUS

Section 6.1 Consent to Amendments. This Guarantee may be amended, and the undersigned may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the undersigned shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) except that, without the written consent of all of the Holders, the undersigned shall not be released from this Guarantee and no amendment, consent or waiver with respect to Article II of this Guarantee or change to the proportion of the principal amount of the Notes required with respect to any consent, amendment or waiver shall be effective. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this Section 6.1, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between the undersigned and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Guarantee" and references thereto shall mean this Guarantee as it may from time to time be amended or supplemented.

Section 6.2 Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the undersigned in connection herewith shall survive the execution and delivery of this Guarantee, the transfer by any Holder of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of any Holder. Subject to the preceding sentence, this Guarantee embodies the entire agreement and understanding between the Purchaser and the undersigned and supersedes all prior agreements and understandings relating to the subject matter hereof.

Section 6.3 Successors and Assigns. All covenants and other agreements in this Guarantee contained by or on behalf of the undersigned shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

Section 6.4 Confidential Information. For the purposes of this Section 6.4, "Confidential Information" means information delivered to the Purchaser by or on behalf of the Company in connection with the transactions contemplated by or otherwise pursuant to the Note Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by the Purchaser as being confidential information of the Company, provided that such term does not include information that (a) was publicly known or otherwise known to the Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by the Purchaser or any person acting on the Purchaser's behalf, (c) otherwise becomes known to the Purchaser other than through disclosure by the Company or (d) constitutes financial statements delivered to the Purchaser under Section

3.1 that are otherwise publicly available. The Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by the Purchaser in good faith to protect confidential information of third parties delivered to the Purchaser, provided that the Purchaser may deliver or disclose Confidential Information to (i) its directors, officers, employees, agents, attorneys, trustees and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 6.4, (iii) any other holder of any Note, (iv) any Person to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 6.4), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 6.4), (vi) any federal or state regulatory authority having jurisdiction over the Purchaser, (vii) the National Association of Insurance Commissioners or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about the Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to the Purchaser (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the Company thereof prior to such disclosure), (x) in response to any subpoena or other legal process (provided that, if not prohibited by applicable law, such holder will use commercially reasonable efforts to give notice to the undersigned thereof prior to such disclosure), (y) in connection with any litigation to which the Purchaser is a party (provided that, if not prohibited by applicable law and neither the undersigned nor any of its Affiliates are involved in such litigation, such holder will use commercially reasonable efforts to give notice to the undersigned thereof prior to such disclosure) or (z) if an Event of Default has occurred and is continuing, to the extent the Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under the Purchaser's Notes and the Note Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 6.4 as though it were a party to this Guarantee.

Section 6.5 Notices. All written communications provided for hereunder shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to the Purchaser, addressed to it at the address specified for such communications in the Purchaser Schedule attached to the Note Agreement, or at such other address as it shall have specified to the undersigned in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the undersigned in writing or, if any such other holder shall not have so specified an address to the undersigned, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the undersigned, and (iii) if to the undersigned, addressed to it at 1426 Main Street, Columbia, South Carolina 29201, Attention: Corporate Treasurer, with a copy to the Corporate Secretary, or at such other address as the undersigned shall have specified to the holder of each Note in writing: provided, however, that any such communication to the undersigned may also, at the option of the holder of any Note, be delivered by any other means either to the undersigned at its address specified above or to any officer of the undersigned. Any

such communications which satisfy the foregoing provisions of this Section 6.5 shall be deemed to have been given for purposes hereof when actually received, or on the 5th Business Day after deposit in the United States mail in the case of communication by first class mail, or, on the 1st Business Day after deposit with a nationwide overnight delivery service in the case of communication by nationwide overnight delivery service.

Section 6.6 Governing Law; Consent to Jurisdiction. This Guarantee shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York. Any legal action or proceeding with respect to this Guarantee may be brought in the courts of the state of New York or any court of the United States of America located in the state of New York, and, by execution and delivery of this Guarantee the undersigned accepts for itself, generally and unconditionally, the jurisdiction of the above-mentioned court and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or later have based on venue or forum non conveniens with respect to any action instituted therein.

Section 6.7 Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 6.8 Descriptive Headings. The descriptive headings of the several subsections, sections and articles of this Guarantee are inserted for convenience only and do not constitute a part of this Guarantee.

Section 6.9 Counterparts. This Guarantee may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument.

ARTICLE VII. CONSENT AND REAFFIRMATION

No consent by the undersigned to the Modification Letters is required in order for the Existing Guarantee Agreement to remain in full force and effect and to be enforceable against the undersigned in accordance with its terms. Without limiting the foregoing, the undersigned hereby acknowledges its consent to the terms of the Modification Letters and ratifies and reaffirms all of its obligations and liabilities arising under or otherwise relating to the Existing Guarantee Agreement. The Existing Guarantee Agreement is, and shall remain after giving effect to the Modification Letters, in full force and effect, enforceable in accordance with its terms.

[*Signature pages follow*]

IN WITNESS WHEREOF, this Guarantee has been duly executed by the undersigned this ___ day of _____, 2008.

SCANA CORPORATION,
a South Carolina corporation

By: _____
Name: _____
Its: _____

The foregoing Guarantee Agreement is hereby accepted as of the date first above written

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Vice President

SCHEDULE 5.7

LIST OF AGREEMENTS RESTRICTING GUARANTEE

(1) the Note Agreement dated as of August 21, 1992, between South Carolina Generating Company, Inc.("GENCO") and Prudential, (2) the Note Agreement dated as of February 11, 2004, between GENCO and the Purchasers as defined, therein, (3) the Indenture dated as of November 1, 1989, between SCANA Corporation ("SCANA") and The Bank of New York Trust Company, N. A. as successor trustee, (4) the Guaranty of SCANA dated as of August 15, 2003, relating to the $35,850,000 Berkeley County, South Carolina Pollution Control Facilities Revenue Refunding Bonds (South Carolina Generating Company, Inc. Project), Series 2003, (5) the Five-Year Credit Agreement dated as of December 19, 2006, among SCANA and the Lenders identified therein, (6) the Second Amended and Restated Five-Year Credit Agreement among South Carolina Electric & Gas Company and the Lenders identified therein, (7) the Amended and Restated Guaranty dated as of December 19, 2006 to and for the benefit of Wachovia Bank, National Association as administrative agent for the ratable benefit of the Lenders identified therein, (8) the Second Amendment to the Amended and Restated Purchase Agreement dated as of July 31, 2007 between South Carolina Electric & Gas Company and Bank of America, N.A., and (9) Note Purchase Agreement dated as of June 27, 2007 between SCANA and the Purchasers identified therein.

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EXHIBIT H

FORM OF AMENDMENT NO. 1 TO COLLATERAL AGENCY AGREEMENT

[See Attached]

EXECUTION COPY

AMENDMENT NO. 1 TO COLLATERAL AGENCY AGREEMENT

This Amendment No. 1 to Collateral Agency Agreement (this "**Amendment**"), dated as of May 30, 2008, is among The Bank of New York Trust Company, N.A., solely in its capacity as collateral agent (the "**Collateral Agent**"), and the Holders (as defined herein). Capitalized terms used herein that are defined in the Collateral Agency Agreement (as defined below) and are not otherwise defined herein shall have the meanings given in the Collateral Agency Agreement.

RECITALS:

WHEREAS, the Collateral Agent, the 1992 Holders and the 2004 Holders are parties to the certain Collateral Agency Agreement, dated as of February 11, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "**Collateral Agency Agreement**") relating to certain obligations of South Carolina Generating Company, Inc., a South Carolina corporation (the "**Company**");

WHEREAS, the Company has or is about to enter into a Note Agreement dated as of May 30, 2008 (the "**2008 Note Agreement**" under which The Prudential Insurance Company of America (collectively, the "**2008 Purchaser**" and, together with its successors and assigns and any other person who becomes a holder of a 2008-A Note (as hereinafter defined) or a 2008-B Note (as hereinafter defined), the "**2008 Holders**") will purchase (a) $80,000,000 principal amount of the Company's 6.06% Series 2008-A Senior Secured Notes due June 1, 2018 (the "**2008-A Notes**") and (b) $80,000,000 principal amount of the Company's 6.06% Series 2008-B Senior Secured Notes due June 1, 2018 (the "**2008-B Notes**"); and

WHEREAS, the Company has requested, and it is a condition precedent to the obligations of the 2008 Purchaser to purchase the 2008-A Notes and the 2008-B Notes under the 2008 Note Agreement, that the Collateral Agent, the 1992 Holders and the 2004 Holders execute and deliver this Amendment in order to cause the Company's obligations under the Transaction Documents (as defined in the 2008 Note Agreement) to be secured by a pari passu security interest in the Collateral pursuant to the Mortgage and the Security Agreement and the 2008 Holders to join the Collateral Agency Agreement as Holders thereunder.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Recitals.

The recitals to this Amendment are hereby incorporated by reference into this Amendment.

SECTION 2. Amendments to Collateral Agency Agreement.

2.1. Each of the following definitions in the Recitals to the Collateral Agency Agreement is amended in its entirety to read as follows:

"Holders" shall mean the 1992 Holders, the 2004 Holders and the 2008 Holders.

"Notes" shall mean the 1992 Notes, the 2004 Notes, the 2008-A Notes and the 2008-B Notes.

2.2. Section 1 of the Collateral Agency Agreement is amended by adding or amending and restating, as applicable, the following definitions to read as follows:

"**Default**" shall mean the occurrence of any "Default" as defined under the 1992 Note Agreement, any "Default" as defined under the 2004 Note Agreement or any "Default" as defined under the 2008 Note Agreement.

"**Event of Default**" shall mean the occurrence of any "Event of Default" as defined under the 1992 Note Agreement, any "Event of Default" as defined under the 2004 Note Agreement or any "Event of Default" as defined under the 2008 Note Agreement.

"**Transaction Documents**" shall mean, collectively, the "Transaction Documents" as defined in the 1992 Note Agreement, the "Transaction Documents" as defined in the 2004 Note Agreement and the "Transaction Documents" as defined in the 2008 Note Agreement.

"2008-A Notes" shall have the meaning given in the Amendment No. 1 to this Agreement.

"2008-B Notes" shall have the meaning given in the Amendment No. 1 to this Agreement.

"2008 Holders" shall have the meaning given in the Amendment No. 1 to this Agreement.

"2008 Note Agreement" shall have the meaning given in the Amendment No. 1 to this Agreement.

2.3 Section 13 of the Collateral Agency Agreement is hereby amended by amending and restating the notice information of the Company contained therein to read as follows:

"The Company: South Carolina Generating Company, Inc.
1426 Main Street
Columbia, South Carolina 29201
Attention: Corporate Treasurer
Telephone: (803) 217-9000
Fax: (803) 217-8869

with a copy to the Corporate Secretary"

SECTION 3. Joinder. The 2008 Purchaser hereby agrees to be bound as a Holder by all of the terms and provisions of the Collateral Agency Agreement to the same extent as each of the other Holders.

SECTION 4. Execution of Amendments. Each of the 1992 Holders, the 2004 Holders and the 2008 Holders authorizes and directs the Collateral Agent to execute and deliver the following documents:

(a) Second Amended and Restated Mortgage and Security Agreement, dated as of May 30, 2008, executed by the Company and the Collateral Agent, in the form of Exhibit A attached hereto; and

(b) Amendment No. 1 to Amended and Restated Security Agreement, dated as of May 30, 2008, between the Company and the Collateral Agent, in the form of Exhibit B attached hereto.

SECTION 5. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PROVISIONS THAT MIGHT CAUSE THIS AGREEMENT TO BE GOVERNED BY OR CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION.

SECTION 6. Counterparts. This Amendment may be executed in any number of counterparts, each executed counterpart constituting an original but all counterparts together constituting only one instrument.

SECTION 7. Collateral Agent. The Collateral Agent shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Amendment or for or in respect of the recitals contained herein, all of which are made solely by the Holders.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed by their duly authorized officers, all as of the date first written above.

THE BANK OF NEW YORK TRUST COMPANY, N.A.,
as the Collateral Agent

By: _____
Name: _____
Title: _____

1992 HOLDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Vice President

2004 HOLDERS:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Vice President

SECURITY LIFE OF DENVER INSURANCE COMPANY

By: Prudential Private Placement Investors, L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc. (as its General Partner)

By: _____
Vice President

UNITED OF OMAHA LIFE INSURANCE COMPANY

By: Prudential Private Placement Investors, L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc. (as its General Partner)

By: _____
Vice President

RGA REINSURANCE COMPANY

By: Prudential Private Placement Investors, L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc. (as its General Partner)

By: _____
Vice President

NATIONAL LIFE INSURANCE COMPANY

By: Prudential Private Placement Investors, L.P. (as Investment Advisor)

By: Prudential Private Placement Investors, Inc. (as its General Partner)

By: _____
Vice President

GENWORTH LIFE AND ANNUITY INSURANCE COMPANY

By: _____

Title:

2008 HOLDER:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: _____
Vice President

Acknowledged:

SOUTH CAROLINA GENERATING COMPANY, INC.

By:_____

Title:

EXHIBIT A

Second Amended and Restated Mortgage and Security Agreement

See Attached.

EXHIBIT B

Amendment No. 1 to
Amended and Restated Security Agreement

See Attached.

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SCHEDULE 3J

REAL PROPERTY NOT SUBJECT TO MORTGAGE LIEN

(1) 91.40 acres in Berkeley County, described in Deed of Conveyance of Theodosia Smalls of the Company, dated October 1, 1982, and recorded in the Office of the Register of Deeds for Berkeley County in Deed Book RB3 at page 1390, October 4, 1982.

(2) Approximately 28.13 acres in Aiken County, transferred to the Company by Deed of Suburban Industries, Inc., executed on or about December 18, 1995.

SCHEDULE 5A(ii)

FORM OF ACCOUNTANT'S REPORT

INDEPENDENT AUDITORS' REPORT
South Carolina Generating Company, Inc.
Columbia, South Carolina

We have audited the balance sheet – regulatory basis of South Carolina Generating Company, Inc. (the "Company") as of December 31, 20__, and the related statements of income – regulatory basis; retained earnings – regulatory basis; cash flows – regulatory basis, and accumulated other comprehensive income, comprehensive income, and hedging activities – regulatory basis for the year ended December 31, 20__, included on pages ___ through___ of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such regulatory-basis financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of South Carolina Generating Company as of December 31, 20__, and the results of its operations and its cash flows for the year ended December 31, 20__, in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of South Carolina Generating Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

February __, 200_

SCHEDULE 6B(1)(vi)

LIENS

None.

SCHEDULE 6B(2)(ii)

DEBT

(1) Capital contributions, intercompany advances and indebtedness owed from time to time by the Company to SCANA Corporation and the Utility Money Pool (as defined in the Note Agreement).

(2) $35,850,000 Pollution Control Facilities Revenue Refunding Bonds (South Carolina Generating Company Project), Series 2003, issued by Berkeley County, South Carolina, due October 1, 2014.

SCHEDULE 6B(6)

CASH INVESTMENT POLICY
FOR SCANA AND ITS SUBSIDIARIES

CERTIFIED RESOLUTIONS

RESOLVED, that until further action is taken by the Board of Directors of SCANA Corporation, the President, a Vice President, the Treasurer or any Assistant Treasurer, of the Corporation, or such other persons as may be designated by the proper officer of the Corporation, be, and each of them hereby is, authorized, empowered and directed to invest for and on behalf of the Corporation, including any of its subsidiaries, such funds of the Corporation as may be available from time to time for the purpose of short-term investments, said investments to be made in prime name commercial paper, certificates of deposits of banks or trust companies which are members of the Federal Reserve System, U. S. Government securities, Repurchase Agreements in U. S. Government securities, or in securities of Federal Agencies backed by the full faith and credit of the United States, or other securities of comparable rating as may be deemed advisable by the persons authorized to make such investment; and further

RESOLVED, that the Treasurer or any Assistant Treasurer of the Corporation, be, and he hereby is, authorized, empowered and directed to make proper arrangements for the safekeeping of the aforesaid securities in such manner as in his judgment is most desirable; and further

RESOLVED, that, since December 31, 1984, any short-term investments in prime name commercial paper, certificates of deposits of banks or trust companies which are members of the Federal Reserve System, U. S. Government securities, Repurchase Agreements in U. S. Government securities, or in securities of Federal Agencies backed by the full faith and credit of the United States, or other securities of comparable rating as deemed advisable by the persons authorized to make such investment, handled on behalf of the Corporation, including any of its subsidiaries, by the President, a Vice President, the Treasurer or any Assistant Treasurer of the Corporation, and the same hereby is, approved and ratified; and further

RESOLVED, that, since December 31, 1984, any action by the Treasurer or any Assistant Treasurer of the Corporation in making proper arrangements for the safekeeping of the aforesaid securities in such manner as in his judgment was most desirable, is hereby approved and ratified.

* * * * * * * * * * *

I, LYNN M. WILLIAMS, Secretary of SCANA Corporation, DO HEREBY CERTIFY that the foregoing is a true and correct copy of resolutions duly adopted by the Board of Directors of said Corporation at a meeting thereof duly convened and held on the 21st day of December, 1987, at which meeting a quorum was present and voted, and that said resolutions have not been annulled, revoked or amended in any way whatsoever but are in full force and effect.

WITNESS my hand and the seal of the said Corporation this 5th day of March, 2007.

LYNN M. WILLIAMS
Secretary

SCHEDULE 8C

LIST OF PROPERTY

(1) The Company owns approximately 28.13 acres in Aiken County, located adjacent to the Urquhart generating facility of South Carolina Electric & Gas Company ("SCE&G"), which is accounted for on SCE&G's consolidated balance sheets as Utility Plant.

(2) SCE&G owns an approximately 40-acre tract and an approximately 210-acre tract in Berkeley County, each located adjacent to the Company's Williams Station generating facility, which are accounted for on the Company's consolidated balance sheet as Utility Plant.

SCHEDULE 8H

LIST OF AGREEMENTS RESTRICTING DEBT

(1) the Note Agreement dated as of August 21, 1992, between South Carolina Generating Company, Inc.("GENCO") and Prudential, (2) the Note Agreement dated as of February 11, 2004, between GENCO and the Purchasers as defined, therein, (3) the Indenture dated as of November 1, 1989, between SCANA Corporation ("SCANA") and The Bank of New York Trust Company, N. A. as successor trustee, (4) the Guaranty of SCANA dated as of August 15, 2003, relating to the $35,850,000 Berkeley County, South Carolina Pollution Control Facilities Revenue Refunding Bonds (South Carolina Generating Company, Inc. Project), Series 2003, (5) the Five-Year Credit Agreement dated as of December 19, 2006, among SCANA and the Lenders identified therein, (6) the Second Amended and Restated Five-Year Credit Agreement among South Carolina Electric & Gas Company and the Lenders identified therein, (7) the Amended and Restated Guaranty dated as of December 19, 2006 to and for the benefit of Wachovia Bank, National Association as administrative agent for the ratable benefit of the Lenders identified therein, (8) the Second Amendment to the Amended and Restated Purchase Agreement dated as of July 31, 2007 between South Carolina Electric & Gas Company and Bank of America, N.A., and (9) Note Purchase Agreement dated as of June 27, 2007 between SCANA and the Purchasers identified therein.

SCHEDULE 8P

LIST OF PERMITS AND OTHER OPERATING RIGHTS

Permits and other rights may be issued to South Carolina Electric & Gas Company but are for the benefit of South Carolina Generating Company.

1. South Carolina Department of Health and Environmental Control, Office of Environmental Quality Control, Engineering Services Division, Bureau of Air Quality, Part 70 and 72 Air Quality Permit No. TV0420-0006, SCE&G – Williams Station issued December 21, 1999 to comply with Title IV (effective January 1, 2000 and expiring December 31, 2004) and Title V (effective April 1, 2000 and expiring march 31, 2003); Renewal pending, present permit fully effective.

2. South Carolina Department of Health and Environmental Control, Bureau of Water, Industrial, Agricultural & Storm Water Permitting Division. Operational Permit #18,740-IW issued to SCE&G – Williams Station on May 1, 2003 for operation of wastewater treatment system is fully effective.

3. South Carolina Department of Health and Environmental Control, Engineering Services Division, Bureau of Air Quality, Air Construction Permit #0420-0006-CD issued to SCE&G – Williams Station on July 12, 2002 to construct a selective catalytic reduction control system. Permit is effective for one year, but may be extended upon approval by SCDHEC. Permit is still in effect.

4. South Carolina Department of Health and Environmental Control, Industrial, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System Permit No. SC0003883 issued January 27, 2003, effective March 1, 2003 and expiring February 29, 2008 authorizing SCGENCO/A. M. Williams Station to discharge from Bushy Park Industrial Site into the Cooper River. Renewal pending, present permit fully effective.

5. South Carolina Department of Health and Environment Control, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System Permit, Permit No. SC0039535 issued November 13, 2002, effective date January 1, 2003 and expiring August 31, 2005 authorizing SCGENCO/Williams Ash Disposal Highway 17A to discharge from Monks Corner into Molly Branch. Renewal pending, present permit fully effective.

6. South Carolina Department of Health and Environment Control, Bureau of Land and Waste Management, South Carolina Electric & Gas Company-Moncks Corner Landfill Industrial Waste Ash Disposal Permit No. IWP-191 issued October 12, 1993, effective November 11, 1993. Permit is still in effect.

7. South Carolina Public Service Commission Order No. E-1063, Docket No. 14,966, dated April 29, 1970, granting a Certificate of Public Convenience and Necessity to SCE&G for operation of Williams Station.

8. South Carolina Public Service Commission Order No. 84-982, Docket No. 84-388-E, dated November 27, 1984, authorizing transfer of Williams Station from SCE&G to the Company.

9. South Carolina Secretary of State, Business Filings Division, registration to conduct business in State of South Carolina, effective October 1, 1984.

10. South Carolina Department of Health and Environmental Control, Bureau of Land and Waste Management, Division of Mining and Solid Waste Permitting, Mining Permit No. 964 issued July 2, 1998 to SCE&G – A.M. Williams Station, for Williams Ash Disposal Site Mine. Permit is still in effect.

11. South Carolina Department of Health and Environment Control, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System Permit No. SC0046175 issued November 13, 2002, effective date of January 1, 2003, and expiring August 31, 2005 authorizing SCGENCO/Highway52 to discharge from Wappoola Swamp to Molly Creek the Cooper River. Renewal pending, present permit fully effective.

12. South Carolina Department of Health and Environment Control, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System General Permit for Discharges Associated with Non-Metal Mineral Mining Facilities (SCG730665), issued to SCGENCO-Williams Station Highway 52 Pit, Coverage #SCR003555, effective date of January 7, 2005 is still in effect.

13. South Carolina Department of Health and Environment Control, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System General Permit for Stormwater Discharges associated with Industrial Activity except Construction (SCR000000), SCGENCO-Williams Station Ash Landfill (Hwy. 17A). Coverage #SCR001688, effective date of January 15, 2003 is still in effect.

14. South Carolina Department of Health and Environment Control, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System General Permit for Stormwater Discharges associated with Industrial Activity except Construction (SCR000000), SCGENCO-Williams Ash Disposal/Highway 52 Landfill. Coverage #SCR004109, effective date of January 13, 2003 is still in effect.

15. South Carolina Department of Health and Environment Control, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System General Permit for Stormwater Discharge associated with Industrial Activity

except Construction (SCR000000), SCGENCO-A.M. Williams Station. Coverage #SCR0004134, effective date of March 11, 2003 is still in effect.

16. South Carolina Department of Health and Environment Control, Bureau of Land and Waste Management, South Carolina Electric & Gas Company-Highway 52 Williams Station Industrial Solid Waste Landfill. Permit #083309-1601 with origination date of July 11, 2004 is still in effect.

17. South Carolina Department of Health and Environment Control, Agricultural & Storm Water Permitting Division, Bureau of Water, National Pollutant Discharge Elimination System General Permit for Stormwater Discharges from Large and Small Construction Activity (SCR100000), SCGENCO-Williams Station SO2 Compliance Project. Coverage #SCR10E971 effective date of March 5, 2007 is still in effect.

18. South Carolina Department of Health and Environment Control, Asbestos Abatement License, ASB-8034, issued to South Carolina Electric & Gas Company – A.M. Williams Station, effective April 18, 2008. License still in effect.

19. Federal Communications Commission, Wireless Telecommunications Bureau, Radio Station Authorization Call Sign WQBD848 issued to South Carolina Electric & Gas Company – AM Williams Station, granted September 24, 2004 and expiring September 24, 2014 authorizing communication of the voice radio system used for operation at Williams Station.

20. Federal Communications Commission, Wireless Telecommunications Bureau, Radio Station Authorization Call Sign WNEU762 issued to South Carolina Electric & Gas Company – AM Williams Station, granted September 11, 1998 and expiring October 29, 2008 authorizing the SCADA System Master for Electric System Management and Control.

21. Federal Communications Commission, Antenna Structure Registration, Registration 1054678 issued to South Carolina Electric & Gas Company – AM Williams Plant, granted August 7, 1998, registering AM Williams smoke stack as a communication tower with antennas attached for plant operational communications. Antenna Structure Registrations do not have expiration dates and remain in effect until the structure is dismantled.

22. Federal Aviation Administration, Aeronautical Study Number 1998-ASO-2886-OE (Obstruction Evaluation) issued to South Carolina Electric & Gas Company – AM Williams Station granted April 30, 1998. Aeronautical studies are conducted to determine required marking and lighting requirements for structures to promote air safety and the efficient use of the navigable airspace. Aeronautical studies do not have expiration dates and remain in effect until the structure is dismantled.

23. South Carolina Department of Motor Vehicles , multiple vehicle registrations issued to South Carolina Electric & Gas Company – AM Williams Station for pickup trucks used for operations at AM Williams Station.

24. South Carolina Department of Health and Environmental Control, Bureau of Water, Industrial Wastewater Permitting Section, Water Facilities Permitting Division. Operational Permit # 19,207-IW issued to SCGENCO-Williams Station for the operation of the coal conveyor area wastewater treatment system. Permit is fully effective.

SCHEDULE 8S

MATERIAL AGREEMENTS

(1) Operating Agreement between SCE&G and Company dated December 18, 1984

(2) Unit Power Sales Agreement between SCE&G and Company dated December 18, 1984

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